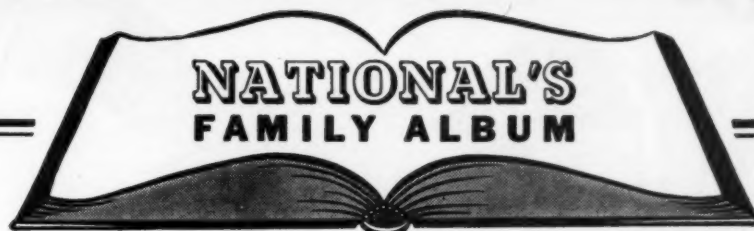


The NATIONAL UNDERWRITER



Sizzling Sam ... Is burning up the town with his fast pace and booming business. Full of steam, he writes a lot of good lines and writes them right. Works at capacity all the time, and growing bigger every year.



Technical Ted ... Knows how to write them completely and correctly. An authority on everything from rates to roofs. When something hits one of Ted's insureds — it's always covered. The companies never kick, and Ted's not kicking either.



Useful Ulysses ... The handiest man in town to know. Everybody calls on him to help on things, and he always can. And sooner or later almost everybody calls on him for good insurance ... he's a handy man on insurance matters too.



N. F. G.* The Perfect Agent. Does all these things and more. Sound steady protection and prevention service — all the time.

* National Fire Group agents, of course

The National Fire Group

NATIONAL FIRE INSURANCE COMPANY OF HARTFORD
MECHANICS and TRADERS INSURANCE COMPANY



FRANKLIN NATIONAL INSURANCE COMPANY OF NEW YORK
TRANSCONTINENTAL INSURANCE COMPANY

UNITED NATIONAL INDEMNITY COMPANY

EXECUTIVE AND ADMINISTRATIVE OFFICES, HARTFORD 15, CONN.

CANADIAN DEPARTMENT

PACIFIC DEPARTMENT

WESTERN DEPARTMENT
175 W. JACKSON BLVD., CHICAGO 4, ILL.

485 MCGILL ST., MONTREAL 1, P. Q., CANADA

234 BUSH STREET, SAN FRANCISCO 20, CAL.

MEMBER THE ASSOCIATED AVIATION UNDERWRITERS

THURSDAY, MAY 6, 1948

ARE YOU GETTING THE MOST OUT OF YOUR COLLECTIONS?



With the period of free spending on the wane and the squeeze of rising prices tightening, there is and will be less and less surplus money available to everyone for spending. On top of that taxes are high. All these factors will contribute as time goes on to making collections tighter.

The forward-looking agent who keeps his collections up-to-the minute at all times and does not permit clients to over-extend their credit, is the agent who will be in the best financial condition at the end of 1948.

According to the gospel of "St. Lucre," collect now or repent later!

Agents are cordially invited to ask for a free copy of our collection booklet: "Getting the most out of Your COLLECTIONS!" Write our Advertising Department.

**NORTH BRITISH AND MERCANTILE INSURANCE COMPANY
LIMITED**

**THE PENNSYLVANIA FIRE INSURANCE COMPANY
THE COMMONWEALTH INSURANCE COMPANY OF NEW YORK
THE MERCANTILE INSURANCE COMPANY OF AMERICA
THE HOMELAND INSURANCE COMPANY OF AMERICA**

150 WILLIAM STREET, NEW YORK 7, N. Y.

New York - Philadelphia - Boston - Detroit - Chicago - San Francisco

N. Y. Agents Throng to Annual Conclave at Syracuse

Commission Question

Illuminated in Bowersock- Stott Debate—Duffus Head

By KENNETH O. FORCE

SYRACUSE — A record 600 registered for the annual convention of New York State Assn. of Insurance Agents here. The hotel almost burst its seams, and the full program covered commission, production and state and local association problems. The agency system can only exist so long as the sanctity of contract is not violated, one resolution stated. Agreements are bilateral in conception, and the agent receives adequate compensation in direct ratio to service he performs for the public. If legislation is needed to per-



A. C. Deisseroth



ROY A. DUFFUS

mit us to perform service the public has the right to expect, it must contain the right of conference and appeal, the resolution said.

The association asked the incoming administration to continue efforts to minimize the branch office evil. Another resolution urged association officials to continue conferences with companies on the market stringency.

The group reaffirmed its opposition to solicitation by salaried employees and

\$2 Million Loss to Springfield, Ill., Department Store

Loss to insurance of \$2 million is total in the fire that attacked Bressmer's department store at Springfield, Ill., early Sunday morning. This includes building, contents and business interruption.

This was a seven story structure, rated as fireproof but with the customary department store loadings for open stairways, etc. The insurance was all placed locally and is all in stock companies. The stock was covered under a reporting form.

will so write companies members represent. One resolution called for legislation providing a probationary period for new drivers prior to issue of a regular license.

The agency and company attitude toward commissions and commission revision were summed up in a two-talk debate by John C. Stott, Norwich, N. Y., vice-president of N.A.I.A., and Donald C. Bowersock, president of Boston. A real crowd attentively followed their arguments.

The convention was launched by the local board discussion and even this first session had to hang out the SRO sign. Two movies were shown, Zurich's "Destination Death" Monday and N.A.I.A.'s "Your Best Policy" Tuesday.

Maurice Herndon Appeal

Maurice G. Herndon, assistant Washington representative, emphasized the fight for free enterprise being carried on by N.A.I.A.

Just because the agent doesn't get \$100 commission on a comprehensive personal liability policy doesn't mean that the president of a corporation doesn't need the protection and won't buy it, F. W. Potter, field supervisor Aetna Casualty, said in reviewing sales fundamentals. One agent took 100 names from his files and started phoning. "I am sending you a folder so important I don't want you to throw it away before reading it." He has sold 64 so far—and hasn't sent out a folder yet.

Selling is having pleasant conversation and being paid for it, he said.

If a customer calls at the agent's home to discuss insurance, the comprehensive personal liability covers, Roy Duffus said. It also covers a trailer home at a fixed location, while there. He said his agency had got his companies to give the credit for a large payroll under the garage liability policy by quarter instead of waiting till year end.

Novel Procedure Introduced

A novel procedure was introduced this year by President A. C. Deisseroth and is expected to become a regular feature. The executive committee met Saturday evening to discuss the budget. Then Sunday before going into executive session the committee called in 35 or so leaders who had arrived early and informally discussed with them the problems and plans of the committee. The atmosphere was cleared of points on which there was insufficiently distributed information or differences of opinion. When the committee came to act the ground was covered in record tempo. The committee was done at 5 p.m., unheard of before.

Then Tuesday morning an executive session was called where members could express themselves freely on all issues.

Everette H. H. Hunt, secretary-counsel of Insurance Federation, and Miss Edna M. Curtis, president Federation of New York Insurance Women's Clubs, greeted agents.

A. C. Deisseroth of Syracuse reviewed

Wind Loss at McKinney, Tex., May Reach \$3 Million

DALLAS — General Adjustment Bureau estimates that total property loss caused by the Monday tornado at McKinney, Tex., will run from \$1½-\$2 million aside from heavy loss to Texas Textile Mills which are insured in the factory mutuals.

Emergency adjustment offices were opened early Tuesday morning at McKinney in the Chamber of Commerce building by G.A.B. and veteran adjusters who worked in the Texas City and Woodward, Okla., emergency offices are arriving as fast as they can be reached. It is estimated there are between 1,400 and 1,800 claims from city hospital, Caldwell high school, gymnasium, smaller business buildings and some seven blocks of residences of textile workers. There were small losses at Nocona and Princeton, Tex., and Mill Creek, Okla.

The factory mutuals are estimating the Texas Textile Mills loss at \$750,000. The second floor was ripped off the No. 1 building, which was a carding and spinning mill; two sprinkler gravity tanks on towers were wrecked, the roof of the boiler house was knocked off and there was considerable machinery damage. The factory mutuals also had a schedule of dwellings in the mill village. Inspector Linder arrived on the scene Tuesday afternoon from the factory mutual inspection department office at Chicago.

MIDWEST DAMAGE MINOR

The storm's course continued through Kansas, Missouri and parts of Ohio, but damage in those areas is regarded as minor. There may be a total of 5,000 claims from the three states, but the average loss is expected to be somewhat lower than the earlier and heavier storms that swept through the midwest in late March. Adjusters who are still suffering from the effects of the March storm, regard the latest midwestern wind adjustments as an easy chore.

About 1,000 claims are expected at St. Louis, and perhaps 2,500 will appear in Kansas. The winds died out around Dayton and south of Columbus, and some claims will be filed there.

In the St. Louis area the greatest individual loss was that of the Monsanto Chemical company's plant at Monsanto, Ill., where the wind ripped off the precast concrete roof of one large building and damaged the plant. Officials estimate the loss there would exceed \$200,000.

an historic year in the business in his presidential report. Mr. Deisseroth combines in unusual degree vigor and firmness in purpose and conciliation in method. He knows how to get others working on association objectives. Consequently his administration has got a lot done, and the record attendance reflected the statewide interest in organizational affairs that now exists.

The association is in an era of top leadership. Roy Duffus is a national figure. A keen student of the business and a tremendous worker who has been getting things done in insurance and other kinds of associations for years.

The new executive vice-president, Joseph A. Newmann, entered the business in 1926 in Bayside, L. I. After six years he went into the suburban field for Crum & Forster where he remained 11 years. In 1943 he bought the George W. Flynn Co. agency, Jamaica, which he continues to operate under that name. He was first secretary of the Queens county association in 1927. From 1943-

(CONTINUED ON PAGE 36)

Bowersock Talks Turkey on Issue of Commissions

Tells N. Y. Group Problem Is Confined to 13 Big Cities

SYRACUSE—Donald C. Bowersock, president of Boston, gave a candid talk about agents' commissions in addressing the convention of New York State Assn. of Insurance Agents here Tuesday. Among his conclusions was that agents in ordinary territories are not facing any problem in respect of fire insurance commissions. This means that most of the agents in the U. S. have no commission problem.

Nevertheless, he counseled local agents associations to continue their cost studies as a basis for possible reconsideration of commissions should it be proved that reasonable compensation is not being received by efficiently operating agents.

As to the excepted city agent, the speaker expressed the belief that adjustments must be made in his commissions, not only in equity but in order to place such agents in a defensible position.

Branch Office Specter

The fears of agents as to the branch office system will be quickly fulfilled if it is made abundantly clear that it is more economical for companies to produce business through branch offices than through the agency system. This hazard is one that confronts the excepted city agents because of the volume of business available in their communities. The problem of the excepted city agent calls for sound, unemotional thinking and Mr. Bowersock expressed the hope that in the end, the position of such agents will be such that insurers cannot afford to substitute branch offices for the services of the agent. In the long run, the law of economics is no respecter of persons.

The speaker said that he is in accord with the suggestion that company men and agents in excepted cities jointly review the problem subject to being able to do so legally. There should be a reasonable meeting of minds and a complete comprehension of the joint problems so that what is done may be for the best interest of the business rather than letting selfishness and greed destroy an important segment of the agency structure.

Effect of S.E.U.A. Decision

Many of the changes that are taking place and are in prospect, according to Mr. Bowersock, are not necessarily a direct result of the S.E.U.A. decision, but that decision accelerated the developments that were becoming increasingly clear to many of the leaders. The problems confronting management as the result of the depression, the war and the high loss ratios during the past three years forced management to reconsider all of its activities and practices, and satisfy itself it is doing the best job it can for policyholders and stockholders. Neither aim should interfere with sound agency relations, he said, but any agency contracts that cannot be defended from an economical

(CONTINUED ON PAGE 16)

Handsome New Chicago Home for Marsh & McLennan

Next Monday will mark the official opening of the new and enlarged offices of Marsh & McLennan on the 14th and 15th floors of Continental Illinois Bank building at 231 South La Salle street, following removal of the Chicago office operation from the Federal Reserve Bank building.



C. W. Seabury

M. & M. has leased 60,000 feet of space at its new location for a 15 year period. Charles Ward Seabury, chairman of the board, explained that fire, casualty, bond, life, and marine insurance departments are placed along with the executive offices on the 14th floor. Service departments such as engineering, accounting, policy writing, and stenographic are centralized on the 15th floor. As present occupants make vacancies available, Marsh & McLennan will expand its 15th floor facilities to occupy nearly half of the entire floor.

The company has 20 offices throughout the United States and foreign offices at London, Havana, Montreal and Vancouver. Of the 1,688 employees, 470 are identified with the Chicago office.

Many Modern Features

The new Chicago quarters have acoustic ceilings and recessed fluorescent lighting throughout. Walls of the general offices are soft grey, a color selected for good light reflection and ease on the eyes, and the same grey is repeated in mottled combination rubber pads covering every desk for elimination of eyestrain. Floors are rubber tiled.

Posture chairs for women employees, lounge rooms for both men and women, and the serving of mid-morning and mid-afternoon coffee to all employees will be new improvements in office facilities and routine, Mr. Seabury said. The men's lounge has showers and a dressing room for traveling representatives.

The private offices are individually decorated and carpeted, as are conference rooms placed for the convenience of clients. The general conference room is treated with cork slab sidewalls for easy pin-up display of printed matter, charts and other material. Adjoining it is a special exhibit room which houses the M. & M. collection of fire and safety appliances.

The new quarters have inter-office telephones throughout, and besides the regular building stairways, private stairs have been installed to connect the 14th and 15th floor offices.

The move terminated 22½ years of operation in the Federal Reserve building, where M. & M. was the only tenant besides the bank itself. For 13 years from 1912 to 1925, its offices were in the Insurance Exchange building.

More on IAC Program

The program for the 25th anniversary convention of Insurance Advertising Conference June 2-3 at Hotel Pennsylvania, New York City, will open with a reception, 5:30 to 7 p. m. June 2, for executives. On June 3 there will be a business meeting in the morning plus a sketch, "Long, Long Ago," written and produced by R. R. Dearden, "U. S. Review," and a talk, "The Power Behind the Home," by Mrs. Bj Kidde, vice-president of Lewis & Gilman. There will also be a round table discussion with insurance trade paper editors and publishers participating, looking forward to 1973. In the afternoon there will be a talk not yet set and entertainment by the "Rounders of 1923" quartet.

Parsons Now Chairman; Wyatt President of Crum & Forster

NEW YORK—At recent meetings of the directors of United States Fire, North River, Westchester Fire and Crum & Forster, J. Lester Parsons was elected chairman of the boards of the respective companies.

Mr. Parsons has been president for a number of years, and in accepting the chairmanship continues as chief executive officer.



J. LESTER PARSONS

Sask. Socialists Claim Insurers Finance Opposition

C. C. F., the Canadian socialist party which is in control in Saskatchewan, claims that the insurance industry has poured money into forthcoming provincial elections to back the opposition party which the socialists say has promised to close all government insurance offices when existing contracts expire. The socialist government has opened its own fire and automobile insurance offices and is reported by insurance people to have delivered an ultimatum to all agents in the province that unless they represent the government offices their licenses will not be renewed.

A number of insurance company officials have come out with direct criticism against the operations of the government offices. One of these is James Matson, Canadian manager of Royal-Liverpool, who, in a public statement ridiculed the argument that the government insurance offices keep Saskatchewan money within the province. Mr. Matson claims that at least a quarter of this business is reinsured with London Lloyds. He claims that the present government still does not know whether the compulsory accident scheme will carry itself. He says the average government policyholder is under the impression that he is broadly covered when the extent of coverage is extremely narrow, because the policies are dotted with deductible clauses. Mr. Matson comments that 25% commissions paid agents by the government insurance office are not supported by experience and the best rate that can be paid is 20%.

Gets Minneapolis F. & M.

Phil Grossmayer Co., Portland general agency, has been named to represent Minneapolis Fire & Marine in Oregon.

Arson Talk at Spokane

Harold E. Andersen, new investigator at Spokane for National Board, talked on arson investigation before Spokane Insurance Assn. and told of his experiences with FBI.

Sterling Stapp of D. K. MacDonald & Co. talked on the comprehensive liability policy at a dinner meeting of Insurance Women's Assn. of Seattle. Ann Meussner of D. K. MacDonald & Co. was installed as president; Gloria Blasted, Claude Seamon adjusting officer, vice-president; Agnes Nikischer, Culliton & McDonald, secretary; Mary Stearns, Gould & Gould, treasurer.



Above—
Henry J. Wyatt
Right—
Harold Junker

Henry J. Wyatt was elected president and Harold Junker executive vice - president of these companies.

Messrs. Wyatt and Junker have been associated with the Crum & Forster organization dating back to office boy days and have had broad and varied experience in the business.



History of Fire Insurance in Far West Completed

SAN FRANCISCO — "Of Men and Fire," the history of the development of fire insurance in the far west states, in preparation more than a year under sponsorship of Fire Underwriters Assn. of the Pacific, has been completed and is ready for distribution. Its cost is \$2.58 per copy.

It was written by Archibald Macphail, well known author, who spent months in research assisted by George Whitney, New Zealand, retired chairman of the historical committee of F.U.A.P.; H. P. Blanchard, formerly of Fireman's Fund; Arnold Hodgkinson, retired secretary of the coast branch of National Automobile Underwriters Assn. and long a fire company executive; F. M. Avery, retired manager of Fire Association, and H. L. Simpson, secretary of the association, retired manager of Phoenix-Connecticut. The idea was first presented by Clyde M. Marshall, assistant manager of Aetna Fire, when he was chairman of the educational committee and later president. It was followed up by his successor, Hugh Coburn, and carried through.

The book includes all of the earliest data available, including early day fires which strengthened the business, the first companies to enter the area prior to 1880, brief sketches of early executives, early day forms and lines, laws and taxes, early day fire fighters and similar subjects.

Opens Tampa Branch

Patterson Adjustment Bureau, whose main office is at St. Petersburg, has opened a branch office at 608 Tampa street, Tampa for the servicing of insurance companies and their agents on all lines of casualty, fire and marine.

Albert Bennett of the Bennett & Corley agency has been elected president of the Nashville Civitan Club. He is a past president of Nashville Insurance Exchange.

Licensing of Pacific Fire Rating Bureau Is Still in Doubt

SAN FRANCISCO—Whether or not Pacific Fire Rating Bureau will receive its license to operate in California, without substantially revising one or two of its rules and regulations which were questioned by the California department, will soon be determined following nine days of "court-room" procedure under the guise of a public hearing.

Although Frank Fullenwider, deputy commissioner in charge of the legal and compliance division, who conducted the proceedings or "prosecution" for the department, insisted for several days that the bureau is still practically controlled—in part at least—by Pacific Board, from which it sprang, he receded from this position in his final arguments, saying that apparently the bureau had taken great strides toward complete physical divorce from the board.

No Control, Witnesses Say

Many witnesses, including S. L. Carpenter, Jr., manager of the board; A. W. Gilbert, general manager of the bureau; Fay Hawkins, secretary of the bureau, H. Clyde Edmundson, America Fore, and numerous others declared that the board and bureau are separate entities, with the former exercising no influence. John M. Wylie, Springfield F. & M., president of the bureau, and Frank Beazley, Phoenix-Connecticut, its first president, both explained its organization and the changes made.

Fullenwider insisted that the wording of the bureau's membership rule indicated that it gave the governing committee power to deny membership to any insurer. Witnesses, most of them members of the governing committee, repeated that no company, stock or mutual, had been denied the right to become members or subscribers. Former so-called non-board company and mutual company managers also appeared to support the bureau.

Recedes on Membership Issue

Later in his final argument Fullenwider also receded on this issue, saying in effect that he believed the rule would not be objectionable if it were revised to set forth some general standards for membership. Bert Levit, bureau counsel, replied that about the only reason why membership would be denied would be that a company was in disrepute or impaired.

As the hearing ended Fullenwider was still fighting to prove that the stamping bureau rule requiring members and subscribers to file daily reports is compulsory "adherence" and therefore in conflict with the California rating law. He took the same stand on the request that all agency appointments and cancellations be filed for the purpose of maintaining a correct mailing list, both of which were strongly countered by Mr. Levit.

On more than one occasion John L. Flynn, hearing officer, spoke to Fullenwider about calling witnesses who gave repetitious testimony. Fire company executives were excused Thursday when Fullenwider agreed that they would be asked practically the same questions already asked, with probably the same answers.

In response to statements that the bureau had been licensed in other states, Fullenwider emphasized that the California rating law is entirely different from any other in the country.

In his final rebuttal Levit commented: "Counsel has said that this proceeding is unique in the annals of the insurance department. I can believe that."

"It is also unique to the insurance business to this extent: if counsel's point of view represents the view of the insurance department it becomes an impossibility to use rates of any rating bureau to which the companies may belong."

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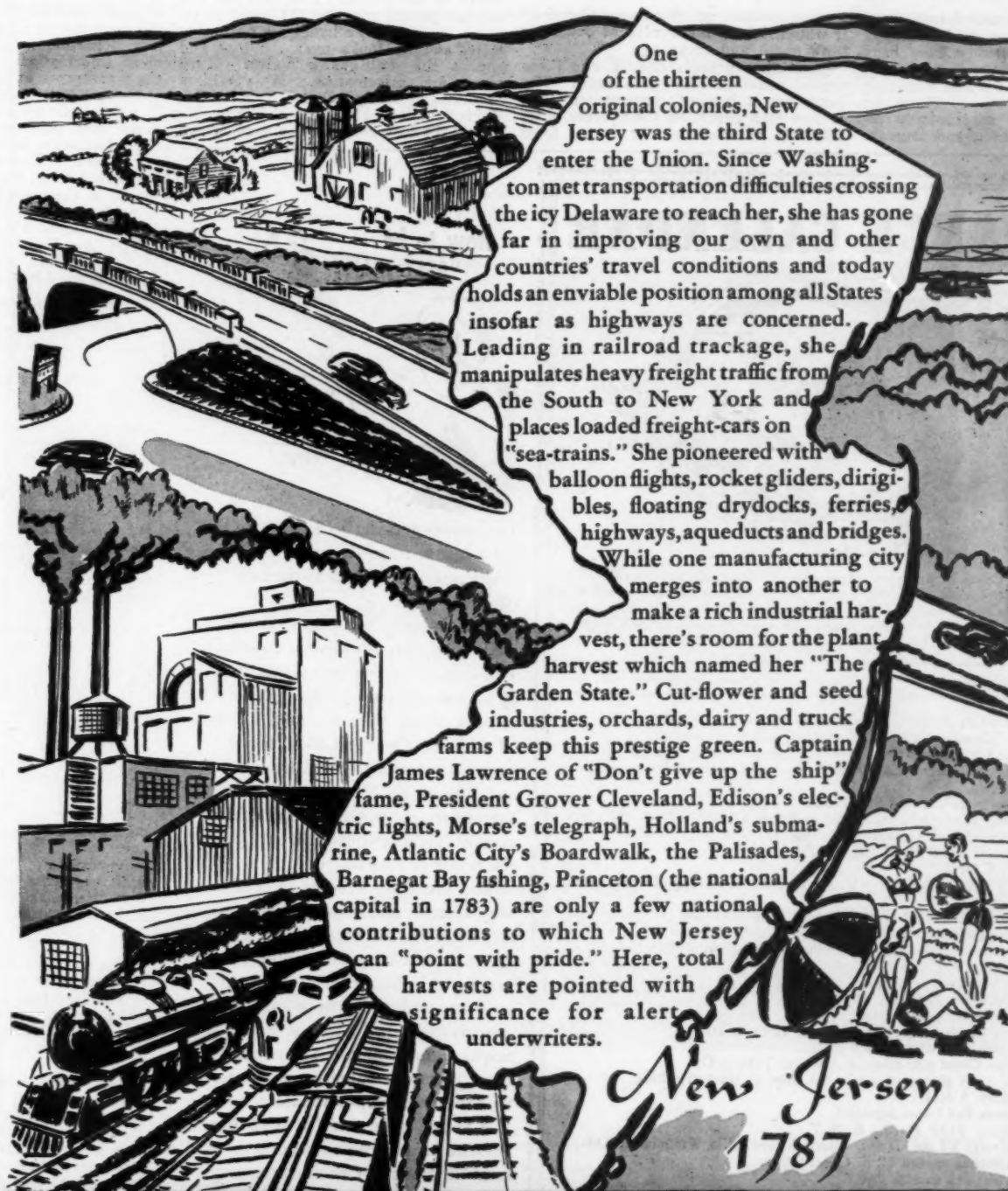
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One of the thirteen original colonies, New Jersey was the third State to enter the Union. Since Washington met transportation difficulties crossing the icy Delaware to reach her, she has gone far in improving our own and other countries' travel conditions and today holds an enviable position among all States insofar as highways are concerned. Leading in railroad trackage, she manipulates heavy freight traffic from the South to New York and places loaded freight-cars on "sea-trains." She pioneered with balloon flights, rocket gliders, dirigibles, floating drydocks, ferries, highways, aqueducts and bridges. While one manufacturing city merges into another to make a rich industrial harvest, there's room for the plant harvest which named her "The Garden State." Cut-flower and seed industries, orchards, dairy and truck farms keep this prestige green. Captain James Lawrence of "Don't give up the ship" fame, President Grover Cleveland, Edison's electric lights, Morse's telegraph, Holland's submarine, Atlantic City's Boardwalk, the Palisades, Barnegat Bay fishing, Princeton (the national capital in 1783) are only a few national contributions to which New Jersey can "point with pride." Here, total harvests are pointed with significance for alert underwriters.

New Jersey
1787



CRUM & FORSTER
MANAGER



110 WILLIAM STREET • NEW YORK 7, NEW YORK

UNITED STATES FIRE INSURANCE CO. Organized 1824	RICHMOND INSURANCE CO. of New York Organized 1836
THE NORTH RIVER INSURANCE CO. Organized 1822	THE WESTERN ASSURANCE CO., U. S. Branch Incorporated 1851
WESTCHESTER FIRE INSURANCE CO. Organized 1837	THE BRITISH AMERICA ASSURANCE CO., U. S. Branch Incorporated 1833
THE ALLEMANNIA FIRE INSURANCE CO. of Pittsburgh. Organized 1868	SOUTHERN FIRE INSURANCE CO., Durham, N. C. Incorporated 1923

WESTERN DEPT. FREEPORT, ILL. — PACIFIC DEPT. SAN FRANCISCO — SOUTHERN DEPT. ATLANTA — ALLEGHENY DEPT. PITTSBURGH — CAROLINAS DEPT. DURHAM, N. C.

Business Yearns for Relief from Small Loss Burden

The fire business is well into the extended coverage season, and company and agency officers already have been flooded with claims. There is talk about an E.C. deductible that would eliminate an estimated 50 to 75% of losses by number. This would substantially reduce the cost of handling and improve

the experience on the line. Certainly it would lighten the burden of detail for both agent and company.

Just what process does a small extended coverage loss go through? The same one a loss of consequence does. A loss man described the process, after selecting at random four losses from

the March 19 midwest storm, amounting to \$12.45, \$50, \$8.75 and \$16.25.

The first thing that is done after receipt of notice of loss from the agent is to forward the notice to the underwriting department. That department extracts the daily report from file, and the two are pinned together. They then go to an examiner who handles a particular state, and he looks over the loss and checks the daily as a matter of interest and information. It is seldom that this examination results in underwriting action, although it is possible that if the loss came from a town which

gets a big blow two or three times a year the company might decide to withdraw or curtail its writings in that community.

The notice of loss and daily then go to the loss department, where a reserve is set up. The agent often estimates what the loss may be. In a catastrophe, this may not be done, in which case the loss department makes up one, based upon information from newspapers or the trade press as to the severity of the storm. A loss jacket or pocket is typed. The loss then goes to the key punch operator who punches a card according to the information on the pocket, including the reserve. The card is put through the tabulating machine, and then is placed in the open file. (When the loss is paid off or marked off, the card goes into the closed file.)

The loss file then is returned to the loss department where it is retained in open file until paid or closed.

Course of Loss Proof

When the proof of loss comes in it goes to the loss department to be checked against the loss file and passed to a proof checker to see if it is in order. The proof checker notes the adjuster's fee and the loss payment on the pocket.

Some companies pay losses by check, in which case the proof checker sends the file to the typing department or cashier's department, depending on which department in a company makes out the checks. A check is drawn and mailed to the agent. The file is then sent to the tabulating department where the open card is extracted and on it is punched the information that the loss is paid. If the adjuster's bill is available, that is also punched on the card. If that bill does not come in with the proof of loss, there is another operation later on.

Both the paid loss card and the closed loss pocket are kept for some time, usually several years, before being discarded.

It is interesting to note that the rate on the \$8.75 loss was 16½ cents for \$4,000, or a premium of \$6.60. On the \$16.25 one there was a \$3.72 premium, on a rate of 41 cents for \$900 of coverage.

A company that pays its losses by draft has one more operation than those that use checks. The field man will make out a draft, and the proof checker has to hold up his operations in an open file until the draft drawn by the field man clears, when the checker proceeds to close out.

The loss man recalled that 90 out of 94 extended coverage losses in one windstorm were under \$50. In the March 19 storm, he estimates, 75% were under \$50.

The agent who follows through on losses, and many of them do as a matter of good customer relations, must follow through on a \$5 claim as well as a \$500 one. This is because he can lose a good customer when something goes wrong with the \$5 loss as easily as he can lose a customer over the mishandling of a \$500 loss. Consequently a deductible would save him time and bother.

Named Assistant Secretary

National American Fire of Omaha has appointed Clive E. Heckenlively assistant secretary. Mr. Heckenlively started in the insurance business in 1919 in a local agency at Kearney, Neb. He was in the Nebraska field for National American from 1923 to 1930, and then was special agent for Great American in that state from 1930 and since 1941 he has been state agent there for New Hampshire.

Saturday afternoon at the Church of St. Stephen the Martyr, Minneapolis. Mary Wickersham Williams, daughter of Mr. and Mrs. Wheaton A. Williams, was married to George Bennett Parsons, son of Mr. and Mrs. Wilfred D. Parsons. Mr. Williams is executive vice-president of the Fred L. Gray Co., Minneapolis.

INSURANCE CALENDAR



On May 13, 1607, the Colony of Jamestown was born—the first to endure because it was the first fully to protect itself against the hazards of a savage land. This same wisdom of protection against hazards—engendered the birth of the fire Association of Philadelphia, 210 years later. Ever since, it has striven with its associates and other leading fire insurance companies to eliminate such hazards—to make American communities safer, more prosperous.

1948—MAY hath 31 days

"Saddle your dreams afore you ride 'em"

- 1—Sa.—1893, World's Fair (Columbian Exposition) opened in Chicago.
- 2—Su.—1946, U. S. Marines called to quell riot of Alcatraz prisoners.
- 3—M.—1851, start of San Francisco fire—2500 buildings destroyed—loss, \$3,500,000.
- 4—Tu.—Fire Association Group companies make it a point to settle claims promptly, fairly, cheerfully.
- 5—W.—1821, death of Napoleon—on St. Helena.
- 6—Th.—1937, dirigible, Hindenburg, destroyed by fire at Lakhurst, N. J., 36 killed.
- 7—Fr.—1915, Lusitania sunk by German submarine.
- 8—Sa.—New Moon, 9:30 P. M., E. S. T. 1945, V-E Day.
- 9—Su.—MOTHER'S DAY, 1946, King Victor Emanuel III of Italy abdicates (under pressure).
- 10—M.—1941, London suffers worst air raid of war. 1436 lives lost.
- 11—Tu.—1939, Chicago grain elevator fire destroyed 4,100,000 bushels.
- 12—W.—1902, Pennsylvania coal strike of 145,000 anthracite workers.
- 13—Th.—1942, earthquakes kill 200 in Ecuador.
- 14—Fr.—Have property insurance reviewed frequently.
- 15—Sa.—First Quarter, 7:55 A. M., E. S. T.
- 16—Su.—1639, Newport, R. I., settled.
- 17—M.—1946, Truman orders seizure of railroads to avert strike.
- 18—Tu.—1849, St. Louis one-half destroyed by fire.
- 19—W.—1911, Supreme Court puts crimp in American Tobacco Co.
- 20—Th.—1946, U. S. Army plane crashes into 5th floor of Manhattan Bldg., New York City. 5 dead.
- 21—Fr.—1881, American Red Cross organized.
- 22—Sa.—Full Moon, 7:37 P. M., E. S. T. 1937, George VI and his wife Elizabeth crowned in Westminster Abbey.
- 23—Su.—1788, So. Carolina ratified U. S. Constitution.
- 24—M.—1844, first telegraph message sent.
- 25—Tu.—1887, Yale College became a university.
- 26—W.—New Property? See your Agent or Broker today. Don't risk a loss!
- 27—Th.—1935, NRA declared unconstitutional.
- 28—Fr.—1934, birth of Dionne quintuplets.
- 29—Sa.—1940 start of Dunkirk retreat.
- 30—Su.—Last Quarter, 5:43 P. M., E. S. T. MEMORIAL DAY
- 31—M.—1942, 1,130 RAF planes raid Cologne.

OBSERVATION for May: If replacement prices always remained the same, there would be no point in having property insurance reviewed. Since they don't—protect yourself by having your agent or broker check up on your property insurance frequently from now on.

PROPERTY INSURANCE
Fire-Auto-Marine-Aviation

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The Reliance Insurance Company
PHILADELPHIA



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The groom gets the bride, but you'll get a commission—if you sell Wedding Present Insurance to the happy couple.

The giving of presents to newlyweds is an old, established custom. You can capitalize on this custom by impressing young couples, about to be married, with the total value of their displayed gifts—before the gleaming sterling, sparkling crystal and fine china are put away, and the electrical appliances and other presents are distributed throughout the house or apartment.

The Wedding Present Floater is very liberal, and strictly a temporary form of insurance, but the alert agent should have no trouble converting this floater into permanent coverage, tailored to fit the needs of the insured. And as these couples acquire more personal property, their potential value as customers will increase proportionately.

A Handy reference for Wedding Present Insurance prospects is your local newspaper. Check the society pages and marriage notices daily if you want to be "best man" at the weddings in your territory. If you need further information or assistance, call your local Fire Association Group field representative.

Fire Association Group, 401 Walnut Street, Philadelphia 6, Pa. Branches in Atlanta, Chicago, Dallas, New York, San Francisco, Toronto.

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ANOTHER TRAFFIC DEATH AND TWO WRECKED CARS BECAUSE SOMEONE TOOK A CHANCE!

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Organized 1835

The Girard Fire & Marine Insurance Company
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Organized 1846

The Concordia Fire Insurance Co. of Milwaukee
Organized 1870

Milwaukee Mechanics' Insurance Company
Organized 1832

Royal Plate Glass & General Ins. Co. of Canada
Organized 1866

The Metropolitan Casualty Insurance Co. of N.Y.
Organized 1874

Commercial Casualty Insurance Company
Organized 1908

Pittsburgh Underwriters - Keystone Underwriters

College Analyst Sees Earnings Gains Ahead

J. C. Clendenin, associate professor of finance at University of California, is author of an article "High Loss Era Waning for Insurance Stocks—but Renewed Income Tax Load Will Lessen Rise in Earnings" that appeared in "Barron's" April 26. He concludes that increases in their own dividends will soon be possible to most major fire insurance companies. Thus far increases have been few and modest, he writes, since both underwriting losses and capital needs have required attention. Now the situation appears to be clarifying and increases ranging from a fourth to a half are not out of reason.

Underwriting profit margins seem almost certain to recover during the next few years, he opines. During 1944-47, while mounting repair costs magnified the increased losses, rates were based on statistics of happier days. Now that automobile and some fire rates are raised and loss control conditions are improving, it seems reasonable to expect a return to the average profit margins of earlier years.

The one adverse factor is the impending return of a substantial federal income tax burden. For a fire company,

taxable operating income is measured by: premiums earned, minus losses paid, minus expenses paid, plus 100% of interest income, plus 15% of dividend income. Since principal expenses are associated with the writing rather than the earning of premiums, the income tax formula shows little or no taxable income when new premiums written are greatly in excess of premium earned.

Mr. Clendenin estimates that earnings of insurance company stocks in 1949-50 will probably rise about 45% above 1947, but that added income taxes will take more than three-fourths of the increase.

The technicality in insurance company tax accounting that tends to remove most of the income tax burden during periods of rapid expansion will probably soon decrease in importance. With in-

creased earnings also may be anticipated greatly increased taxes.

At least two factors may lead to increased earnings or dividends, he said. Net premium writings in 1947 were more than 2½ times as great as in 1939 and were 28% over 1946. Excessive loss ratios of recent years have so far prevented great gains in earnings from this enlarged business. Even in 1947, adjusted underwriting earnings of leading companies averaged only about 20% above those of 1938-39. Gains from growth are thus possible when underwriting experience improves.

Retain 45% of Yield

In 1939 15 insurance companies that are listed in a table that was prepared by Mr. Clendenin, paid out 80% of their dividend and interest income in dividends. In 1947 only 55% was so distributed. Even with the need for capital, the margin available for dividend increases is striking, he said. Distribution of 80% of available investment income would call for an average 45% increase in dividend rates and would lift the average yield from 3.5% to 5.1%.

Though investment income rose about 14% between 1946 and 1947, the gains hereafter will be smaller, according to the author. The corporate dividend in-

creases of 1947 are not likely to be repeated in the same proportions. The volume of new business which has built up the invested reserves seems to be increasing less rapidly. Earnings improvement now must come mostly from increased profits, and any decline in investment income would retard the improvement.

As to the loss situation, Mr. Clendenin remarks that since last October the increase of fire losses over the previous year has slowed. Stabilization and even reduction may appear in the coming months. Earned premiums for 1948 will be based in part on the 28% increase in premiums written in 1947 and will be comfortably larger. Moderate rate increases already are in effect on some classes of risks. With price levels stabilized and fewer fires, fire underwriting could prosper greatly.

In the automobile physical damage lines, the author said, there is a chance that these lines may go into the black some time this year.

Zone 2 Sets Up Rate Conference

The zone 2 insurance commissioners, meeting at Washington, added another passage to the insurance organization labyrinth. They created what they have called Conference on Rate Regulation and Supervision of Zone 2. Courtney W. Harris of Virginia was elected chairman.

The purpose of the organization is to "promote uniform interpretation and administration of the insurance rate regulatory laws." The group decided to send minutes and articles of organization to each of the other zones, suggesting that similar organizations be set up throughout the country so that there might be a network of such plans in operation.

The states represented at the meeting were Virginia, Ohio, North Carolina, Pennsylvania, Maryland and District of Columbia. Florida sent an observer. Delaware, South Carolina and West Virginia, which are in zone 2, were not represented.

Hutson Retires After 43 Years with National Board

A. Cary Hutson, assistant chief engineer of the National Board, has retired after 43 years of service. The board gave a luncheon in his honor last week.

Mr. Hutson left this week to undertake an assignment for the Hawaii Fire Rating Bureau to grade all communities in Hawaii with the exception of Honolulu. On completion of the project he will return to the United States to continue private work in fire prevention as a special consultant and writer on fire safety problems.

Mr. Hutson has been engineer, editor of board publications on fire safety, and lecturer before various engineering and civic organizations. He has investigated and reported on some of the most famous fires in the country.

Mr. Hutson is a graduate of Texas A. & M. College, and is an associate member of National Fire Protection Assn.

He has been largely responsible for the preparation of the standard schedule for grading cities and towns now used in the classification of cities, and has edited the "Fire Prevention Ordinance" for 20 years.

One of his most sensational assignments was the recent Winecoff hotel fire at Atlanta.

C. & R. Promotes Luise

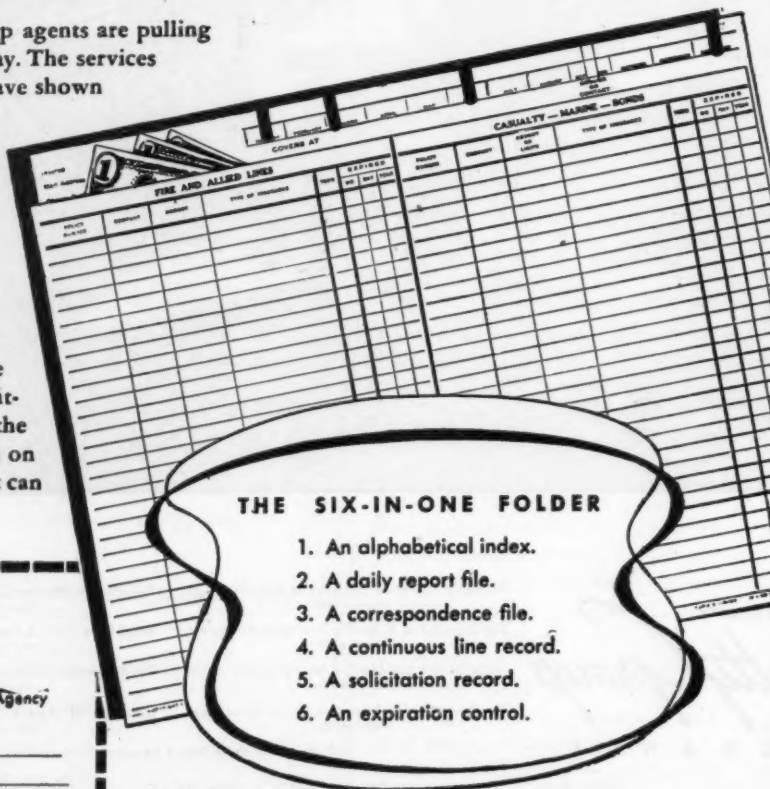
Corroon & Reynolds has promoted Anthony J. Luise to assistant general adjuster in the fire loss department. Mr. Luise started with Corroon & Reynolds as an office boy in the loss department 30 years ago. Following the Gulf storm of last September, he was loaned to the National Board at New Orleans.

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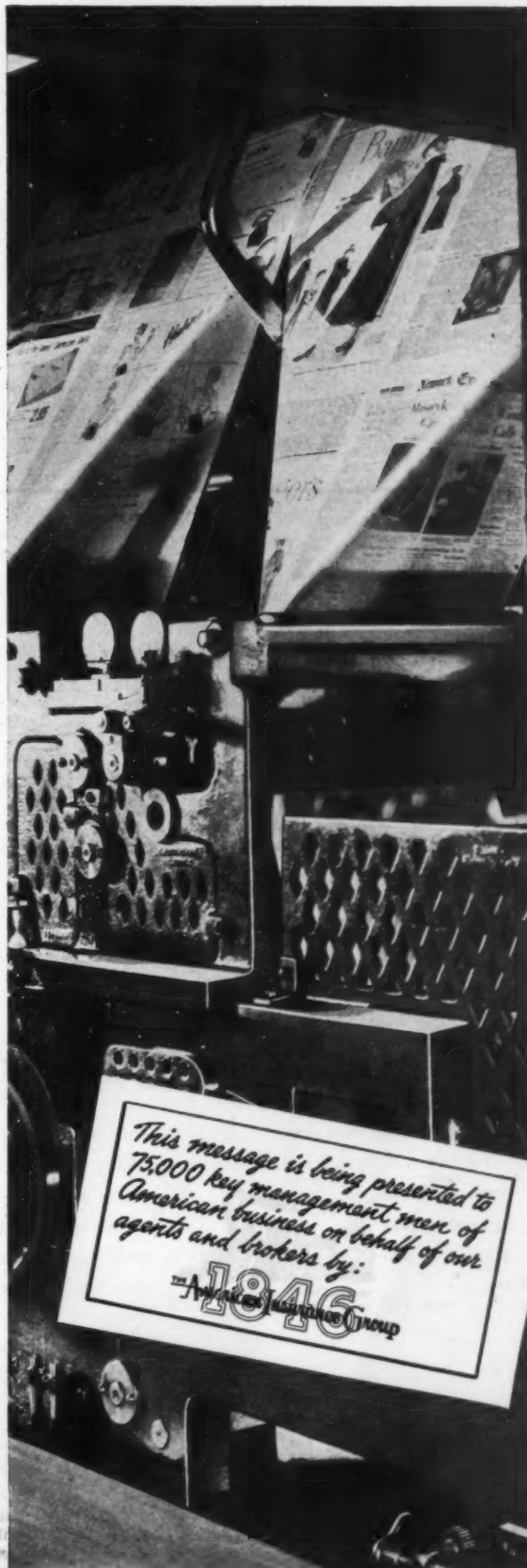
Behind today's amazing machines stand legions of free Americans who have dedicated themselves to maintaining this basic freedom . . . the great names of writers and publishers, and the lesser known who have set the type, improved the presses, gathered the news and edited the papers.

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The Columbia Fire Insurance Co. • The Jersey Fire Underwriters



High speed press, pressroom—Newark Evening News.

N. A. Installment Plan Rejected by Va. Supreme Court

RICHMOND — Action of the corporation commission of Virginia in approving application of the North American companies for authority to write fire policies in this state on the installment basis has been reversed by the supreme court of appeals. The appeal was prosecuted by Virginia Assn. of Insurance Agents, which intervened at the hearing before the commission. The Virginia rating bureau neither approved nor opposed the proposed plan in the proceedings before that body.

Under the plan approved, as the supreme court pointed out in its opinion reversing the commission, one who desired to procure protection for a term of more than one year, instead of paying the full premium within a short time after issuance of the policy might, at his election, pay the premium in annual installments. The agents objected to the plan on the ground that it violates a mandatory provision of the code; there is no need or demand for it in Virginia; it discriminates unfairly

against the purchaser of insurance on an annual basis; it is essentially the same plan which the commission had previously disapproved.

By a two to one decision, the commission found against each of these contentions in approving the plan.

In reversing the commission, the supreme court said: "We are of the opinion that the proposed installment collection plan violates plain provisions of Section 4226-a of the code, as amended, and should not have been approved. For this reason, the order appealed from is reversed and a final order will be entered disapproving the plan."

The court deemed it unnecessary to express an opinion on other matters discussed in the appellant's brief.

The plan had already been approved in a number of other states before North America sought to have it put into effect in Virginia.

Valuation Meeting Postponed

The meeting of the subcommittee of the committee on valuation of securities of National Assn. of Insurance Commissioners at New York May 5-6 has been postponed to May 19-20. Representatives of the insurance business will be heard May 19 at 10:30 a.m.

Miss. Agents Ready for Golden Anniversary Rally

A topnotch program has been perfected for the 50th anniversary con-



Clant M. Seay



E. H. Ruble

vention of Mississippi Assn. of Insurance Agents at Edgewater Gulf hotel, Edgewater Park, Miss., May 13-15.

The speaking talent includes Roy A. Duffus, prominent local agent at Rochester, one of the most popular insurance

platform figures in the country; Commissioner Jesse L. White, who will review insurance legislation enacted in Mississippi this year with emphasis on the new agents and solicitors licensing law, and John H. Ledbetter, associate southern manager of Hartford Fire at Atlanta, who will discuss agent-company relations. John Eglof, superintendent of field training for Travelers, will speak on insurance selling and education.

In view of the fact that Mississippi has at long last enacted a compensation law, there will be much interest in an analysis of the statute that will be given by Thomas T. Wilson, manager at Little Rock for U.S.F.&G. Mr. Wilson has had first-hand experience with a new compensation law, as he was manager at Little Rock when the Arkansas law went into effect. Agents have been invited to submit questions that they would like to have discussed on the compensation law.

V. Edmond Schwartz of New Orleans, regional chairman of the fire prevention committee of N.A.I.A., will give a fire prevention message.

O. Shaw Johnson of Clarksdale, Miss., who is a member of the N.A.I.A. executive committee, will bring the group up to date on N.A.I.A. activities.

Seafood Jamboree Featured

There will be what is known as the Seafood Jamboree the evening of May 13, and the get-together dinner and dance will be May 14. The morning of May 13 there will be a meeting of the directors to which all members of the association are invited. On the next two days the convention sessions will be held in the morning and the afternoons will be open for recreation.

The Blue Goose is holding its annual splash at the same time and place. That meeting will be held the morning of May 15 and then the Blue Goose will be host at a cocktail party and dance. The program committee serving with President E. H. Ruble embraces Robert E. Bobo of Clarksdale; Bert Havard Jr., Gulfport and M. Shelby Pickett, Hattiesburg.

The headquarters office, meaning Manager Clant M. Seay, is now preparing a 50th anniversary booklet covering the history of the organization.

A. J. Davis Joins "Southern Insurer" as Managing Editor

Alvin J. Davis has purchased a half interest in the "Southern Insurer" of New Orleans from Louis Phillips and will serve as its general manager and managing editor. Mr. Davis resigned March 1 as vice-president and managing editor of the "Insurance Index" of Louisville after nearly 11 years with that paper. He was financial editor of the Louisville "Herald-Post" and on the staff of the Louisville "Courier-Journal" for two years before going with the "Insurance Index" in 1937.

Mr. Phillips, now advanced in years, is a veteran insurance journalist, having been instrumental in the formation of both the Industrial Insurers Conference and the American Assn. of Insurance General Agents.

Popular Publications

The English report issued by the New York insurance department is now in its fourth printing, and already has sold 3,000 copies at \$1.75. The department does not publish it for profit, but there has been an unexpectedly heavy demand for the book, written by Deputy Superintendents Alfred C. Bohlinger and Thomas C. Morrill.

Another popular issue of the department is Superintendent Dineen's talk on commissions which he gave before the National Assn. of Insurance Agents. This was issued in pamphlet form at no charge, and is still back-ordered at the printers although 5,500 have been distributed. Many producers' and company organizations sent them to members.



The stage coach of 1848 is now the private passenger automobile protected by sound,

locally-serviced insurance coverage. . . . Business in 1848 often depended on slow travel. In 1948 the local insurance agent is just around the corner for advice and service.



Modern fire protection devices, plus up-to-date insurance coverages, make American homes,

business and people safer today. . . . Progressive insurance agents and managements are cooperating with public authorities to reduce fires and accidents.



1848-
1948

OHIO FARMERS INDEMNITY COMPANY



THE INSURANCE AGENT IS A GOOD MAN TO KNOW

May 6, 1948

Are Your Clients Still Underinsured?

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Even if you have checked your assureds' values during the past year and increased their coverage, they probably need more insurance now! Our National Advertising this month stresses the need for checking insurance protection again - TODAY!

HAS YOUR HOME *outgrown* ITS PROTECTION?

YOU INSURED THIS MUCH HOUSE WHEN YOU BUILT IT . . .

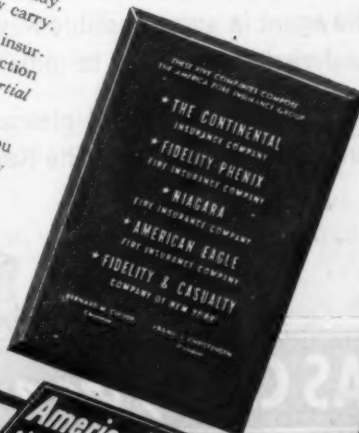
. . . BUT YOU HAVE THIS MUCH HOUSE TO PROTECT TODAY!

UNLESS you've done something lately about bringing the insurance on your home and its contents up near the true value they represent today, chances are they have *outgrown* the insurance protection you now carry. In case of destruction, you might not be able to rebuild with the insurance settlement you would receive, because of today's high construction costs. Further, if you are not sufficiently insured and have only a partial loss, you may have to bear part of that loss yourself.

Check with the America Fore Agent today. . . Also, as a taxpayer, you should make sure that the public schools in your community are adequately covered. We have found many school buildings considerably underinsured.

WHAT YOU SHOULD EXPECT FROM YOUR LOCAL INSURANCE MAN

- (1) A careful analysis of your protection needs, and a detailed explanation of all the insurance coverages available to you for your complete protection.
- (2) A thoughtful placing of your insurance in the strongest companies in the country.
- (3) A periodic review of your insurance coverages to make sure that you are protected adequately at all times.



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- THE SATURDAY EVENING POST
- NEWSWEEK
- SUCCESSFUL FARMING



Brandon Named V.P. of Underwriters Laboratories

Merwin M. Brandon was elected vice-president and electrical engineer of Underwriters Laboratories at the annual meeting at Chicago last week.



M. M. Brandon

Mr. Brandon joined the laboratories in 1921 as assistant engineer in the gases and oils department. The following year he joined the label service department, and in 1928 was appointed associate electrical engineer. In 1946 he was given the title of electrical engineer.

Operations of the Underwriters Laboratories in 1947 were at an all-time high as to variety and volume, Alva H. Small, president, reported.

John A. Neale, chief engineer, in his

report remarked that there was a great increase in "old head" testing of listed sprinklers, which indicated that reliability of a listed sprinkler is not primarily a function of age, but depends upon conditions at respective locations which produce corrosion, loading, painting and mechanical abuses.

Label deliveries last year were 47% above the pre-war peak in 1941. The greatest increase was in labels for oil burners and oil burning stoves.

The electrical department last year moved into the new addition to main office and acquired 20,000 more square feet of testing area.

Cab Conspiracy Charged

MINNEAPOLIS—Minneapolis Cab Drivers Union is charged with conspiracy in restraint of trade by independent owners-drivers of cabs in a suit filed here. The union is accused of "freezing" city cab licenses. The St. Paul-Mercury Indemnity, Fred S. James & Co., Wesley J. Kelley and P. L. Gedney, local agents, are included as defendants.

President Adalalde Stone and Helen Guili have been nominated as delegates of Insurance Women of Los Angeles to the national convention at Portland, Ore., in June.

Reske, Myers, Ellis Explain Business Covers to Buyers

An overflow crowd turned out last week to hear three capable speakers on the subject of property damage fire insurance, the second in a series of eight business insurance lectures sponsored by Chicago Assn. of Commerce & Industry. The crowd nearly doubled the one at the first session the previous week.

Speakers were Elmer Reske, manager Cook County Inspection Bureau; Lawrence Myers, vice-president at Chicago of Marsh & McLennan, and Will S. Ellis, assistant Chicago manager of Royal. Moulton P. Goff, resident vice-president of Employers Mutual, acted as chairman.

Mr. Reske pointed out the need for adequate protection by citing the current economic loss by fire. He warned business men not to get caught with partial cover, suggesting they ask themselves if they would be willing to sell their property for the amount of insurance they carry on it. He emphasized that care-

lessness is a chief cause of fire and remarked that many persons seemed to believe that the additional premium charged for hazards on their property justifies a do-nothing attitude about moving them.

Mr. Myers delivered an outline of coverages for business.

After a brief discussion of the contract, Mr. Myers listed the provisions under the extended coverage endorsement and told briefly how they were introduced and what protection they provide. He emphasized that extended coverage is essential and can be had for only a low additional cost.

Underinsurance is the big cause of heavy losses, he said, and he urged the insurable values be based on present replacement cost less depreciation, rather than only a low additional cost.

U. & O. Contract Outlined

Mr. Ellis gave the buyers an excellent exposition of business interruption coverage. He explained that U. & O. simply pays the amount of gross earnings less discontinuing expenses. The buyer merely has to discover the risk beyond the control of management and cover them.

In buying U. & O., the assured should ask himself, if a fire occurred, what would he do. He remarked that the buyer should bear in mind that if elevators are destroyed, replacement may take longer than expected. Otis Elevator Co. is five years behind on its orders and General Electric is three years behind.

The question of how long the suspension will last and what economies can be made to cut down the loss should be considered. If the loss will consist of most entirely of extra expenses and production could be carried on, an extra expense policy is called for. If there is a loss of earnings, U. & O. is necessary.

It is important not to underestimate the time of returning to production. Mr. Ellis said that the time works against every reconstruction job and every consideration must be taken into account. Stocks must be replaced, and in some cases, processing of stocks could run into several months.

Many Take Coinsurance Penalty

He mentioned that all U. & O. figures must be checked regularly. In the midwest last year, Mr. Ellis said, the average of all losses took a 40% coinsurance penalty. This is a result of underestimation and failure to keep up with changes, he said. He suggested that the buyer make up a work sheet every year based on last year's operation and project it for the 12 months ahead. For example, if it is based on \$1 million of sales, then every three to four months the buyer might ask himself if, in 12 months from that day, the sales volume will be \$1 million, or more or less. He can adjust his coverage accordingly and never get behind.

Mr. Ellis was asked what device there are for the elimination of the constant review of values so that the coinsurance on U. & O. can be figured annually. The premium adjustment plan now in operation in the midwest would seem to be the answer to this, Mr. Ellis replied. There also is an agreed amount plan for mercantiles.

At the head table was an imposing array of insurance dignitaries, several of them fresh back from the W.U.A. meeting at Swampscott, Mass. The group was comprised of C. W. Seabury, chairman of Marsh & McLennan; E. A. Henne, vice-president of America Foreign; C. H. Smith, vice-president Hartford Fire; Gordon F. Purtell, American National Bank, and secretary of Mid-West Insurance Buyers Assn.; Joseph I. Lucas of Moore, Case, Lyman & Hubbard; Curtis R. Welborn, executive vice-president Underwriters Laboratories; L. L. Wilds, president Protection Mutual; V. L. Montgomery, Chicago manager of North America, and L. J. Ronder, Continental-Illinois National Bank, and treasurer of the Mid-West Buyers.



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...and Make Yourself at Home!

You, as our agent, are always welcome to make our home office your headquarters when you're in Kansas City. That's the way many of our agents find it and that's the way The Kansas City's officers like it. Remote "home office seclusion" just doesn't exist here, because we are located in the midst of our territory, and because our officers are westerners with a true sense of western hospitality.

The Kansas City makes a genuine effort to assist the agent in every possible way, from tackling a difficult underwriting problem to making hotel reservations.

We believe you'll find it pleasant as well as profitable to represent The Kansas City.

Monty T. Jones
President



KANSAS CITY Fire and Marine

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"Jetty Bumpers, Pier Protectors, Buoy Bouncers"...



-But **SOUND
INSURANCE
IS THE MOST
IMPORTANT
PROTECTION!**

ANY BOAT OWNER would shriek at the thought of cluttering up a fine looking craft with a lot of funny gimmicks—even if their purpose were to protect property.

Yet every boat owner knows full well the hazards of the waterways—hazards that can involve calamitous financial losses. Fortunately, sound pleasure boat insurance is available to boat owners—insurance that guards against loss from fire, theft, collision, stranding and other marine perils, and protects the owner in his legal liability for loss of life, personal injury or damage to the property of others occasioned by the operation of his craft.

The Marine Office of America offers this kind of insurance—and backs it with 30 years of specialized experience, a skilled staff, and the soundness, strength and dependability of

its member and affiliated companies.

The owners of boats—big and little—in your community *need* the protection of pleasure boat insurance, *and you can provide it.* You need merely contact them, fill out an application, and forward it to us. We do the rest. Write for a supply of application forms *TODAY!*



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ALL CLASSES OF OCEAN AND INLAND MARINE INSURANCE



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"TAVERN OF THE DEVIL"

Whether or not this site was appropriate, the first known organized attempt to underwrite Fidelity Bond coverage was launched during 1720 in the "Tavern of the Devil", Charing Cross, London.

English newspapers recorded this event, announcing that books were opened at the Tavern to underwrite coverage for domestic servants' dishonesty. The rate was six pence for each share of stock, and Fidelity promoters guaranteed to pay losses resulting from theft by servants who were registered and ticketed by this new society.

(Second in a series of advertisements tracing the history of the Fidelity and Surety Industry)

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PHOENIX INDEMNITY COMPANY



Scans Value of Mortgagee Requiring Rent Insurance

It is generally possible to compel the borrower to comply with coinsurance provisions on his building fire insurance, to carry boiler insurance when there are high pressure vessels, to endorse for extended coverage, particularly on one family homes, and to deposit with the mortgagee a policy on contents when a chattel mortgage is held in conjunction with the first mortgage, Ralph J. Stewart, assistant real estate officer, Union Square Savings Bank, New York City, told the annual Savings Bank Insurance Forum at Syracuse, N. Y. But should mortgagees require rent insurance? he asked.

Few instances of direct injury to mortgagees by fire losses inadequately insured have come to light. Many factors have intervened to safeguard the mortgages. Common in the past, but unlikely to continue so, has been insurers' reluctance to apply coinsurance principles in loss settlements unless the loss has been substantial. Frequently, the broker could get a full adjustment by persuading the owner immediately to rectify his coverage by ordering more insurance in the companies on the loss payment. Then there is the frequent revelation of additional insurance held directly by the owner, and sometimes by subordinate mortgagees, which has provided adequate coverage and saved the day for the first mortgagee. Other times the mortgagee indebtedness has been so nominal as to preclude harm to the mortgagee even when a serious fire has occurred.

Adequate Coverage

But with the tremendous increase in construction costs, there is no room for complacency. Owners have fully appreciated their need for more coverage, and aided by alert brokers, the lending institutions have been finding little difficulty in obtaining additional insurance. The demand for more coverage has engulfed the companies and taxed capacity.

Having seen to it that coinsurance requirements are met, many lenders have reviewed their loans and sought supplementary coverages. The Jamaica Savings Bank, New York, holder of many mortgages on one family dwellings, launched a particularly effective campaign for extended coverage following an explosion that completely wrecked a home located in their area. Properties having high pressure boilers now generally deposit the boiler insurance with the mortgagee.

Without exaggerating the possible need for rent and rental value insurance, a recent inquiry among the larger savings banks in New York City failed to disclose any established practice in requiring such coverage.

Test of Rent Cover Need

The test to apply in judging the need for rent insurance, he said, is a careful consideration of the effect of a fire on the borrower's ability to meet his mortgage obligations. Here is a store property on high land value and leased to a single tenant under a lease highly favorable to the landlord. In case of a disastrous fire the tenant may elect to consider the lease cancelled. (Business is depressed and an equally good location can be rented by this tenant at half his former rental.)

Mortgage Principal \$ 65,000
Appraised Value (influenced by present lease at \$12,000 per annum) 100,000
80% of Insurable Value 20,000
Assume Complete Destruction.. 32,000

The landlord in surveying his predicament finds that \$5,000 of taxes, interest on mortgages (he has a second mortgage as well as a first) and miscellaneous expense will accrue before he can rebuild and restore income. Further, since he carried but \$20,000 of fire insurance, he must raise an additional \$5,000 to rebuild. He has sought an

acceptable new tenant but finds that the maximum rent obtainable is \$9,000 per annum and that the appraised value of the property as restored will be but \$75,000. He quickly decides in the light of his mortgaged indebtedness (the amount of the second mortgage is immaterial), to abandon the property. The second mortgagee sees no equity left for his loan and refuses to cure the default on the first. The first mortgagee forecloses with the following result:

Cost of Acquisition:

Mortgage principal \$65,000
Accrued interest and taxes.. 2,500
Demolition expense 1,500
Rebuilding cost over loss payment 5,000
Foreclosure expense 1,000

Total cost to mortgagee \$75,000

Property sold at new appraisal value \$75,000
Sales expense 2,000

Net realized \$73,000

The loss to the first mortgagee was \$2,000. In addition, he has been put to the trouble of foreclosing, rebuilding and selling the property. Rent insurance in this instance with an indemnification of some \$4,000 (four months) payable to the first mortgagee, would have been the margin by which acquisition would have been avoided. Either the owner or the second mortgagee would have seen enough salvage to have remained with the property.

Taxpayer loans and loans on favorably leased properties are likely to be the principal types to collateralize with rent insurance. Since the total indemnifica-

(CONTINUED ON PAGE 37)

FIRE PREVENTION ENGINEER

A top notch man age 40 with 16 years of Fire Prevention Engineering. Graduated in engineering from a well rated technical school. Has established a fine record for supervising and training people.

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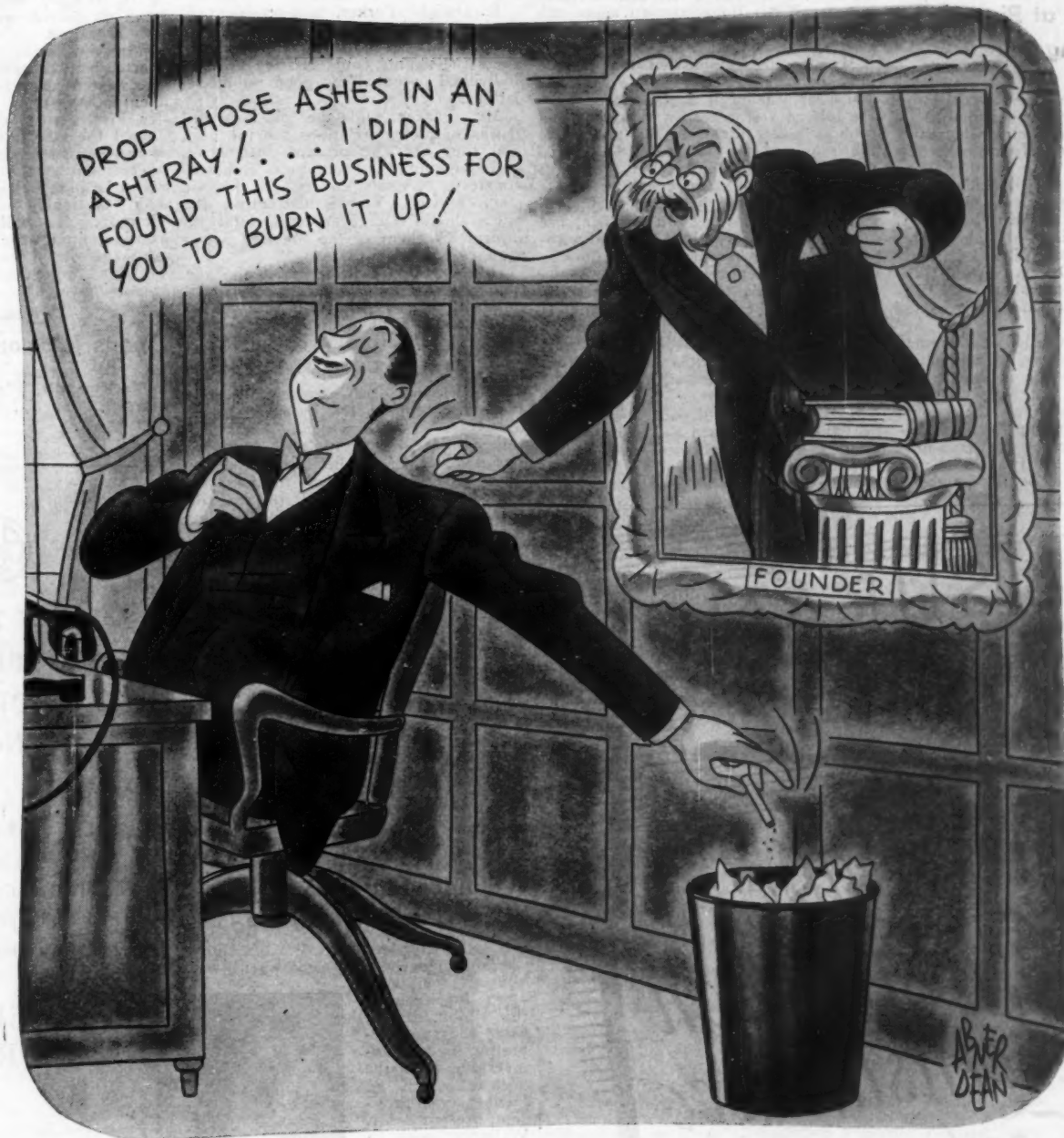
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More fires can be traced to careless smoking and handling of matches than to any other one cause. Keep ashtrays handy. Use them. Empty them often. Make sure matches and "smokes" are out.

Aetna Insurance Group



HARTFORD, CONNECTICUT

AETNA INSURANCE CO.
THE CENTURY INDEMNITY COMPANY
STANDARD INSURANCE CO. OF N. Y.

THE WORLD FIRE & MARINE INSURANCE CO.
PIEDMONT FIRE INSURANCE COMPANY

This advertisement also appears—in color—in Time, Newsweek and the United States News. W. Ross McCain, President.

Since

the founding of the Aetna in 1819...through wars, conflagrations and depressions...no policyholder has ever suffered loss because of failure of an Aetna Company to meet its obligations.

Alexander Is New N. C. President

400 Hear Excellent Battery of Speakers at Pinehurst Meeting

PINEHURST, N. C.—North Carolina Assn. of Insurance Agents at its annual meeting here elected Charles S. Alexander of Scotland Neck as the new president.

Other officers elected include: Ham C. Horton, Winston-Salem, vice-president; W. E. White, Jr., Elizabeth City, secretary; J. C. Allison of Raleigh, re-elected treasurer; and W. H. Carstarphen, Williamson; Deems Clifton, Clinton; Robert Senn, Greensboro, and William Webb, Jr., Statesville, directors for two years.

The association awarded its Thomas Gresham Redden trophy for outstanding work by an agency in safety and accident prevention and civic activities to Greensboro Insurance Exchange. The Louis M. Connor cup for outstanding public relations in the state was presented by Reginald L. Price of Charlotte. The C. W. Coghill memorial

plaque for outstanding work for agents and the public was given to Earl Johnson of Raleigh.

Around 400 delegates attended. The association will meet at Pinehurst again next year.

Hugh D. Combs, vice-president of U. S. F. & G., in his talk demonstrated by case illustrations how an agent can obtain better claim satisfaction from his assured and company.

Mr. Combs emphasized that agents must be sure to sell adequate coverage and clearly define it at the time of sale. He told of a storekeeper's burglary and robbery policy for \$25. The policy has the requirement that there be visible marks of forcible entry, but the agent neglected to tell his customer about that. The insured lost some valuables and had no recovery. In another case on the same policy, a loss occurred without recovery when the assured misunderstood some provisions.

It is a mistake to sell inadequate coverage when the public demands and is willing to pay for complete coverage where it is needed. Where price is a factor, the time for explanation is before a loss and not afterward, Mr. Combs said.

Fred C. Kinzie, Spindale, in his presidential report stressed the value of the regional meetings which the state association has inaugurated. He said the meetings have grown in interest and

attendance and have become one of the chief activities of the association.

Mr. Kinzie remarked that the association has obtained a group life contract with Pilot Life for agents and their employees.

Parker Stresses Public Relations

S. Dwight Parker, vice-president of Springfield F. & M., distributed mirrors to his audience and explained that in them the agents could see the greatest individual potential for good public relations.

Mr. Parker said the old-fashioned truths of human relations are the best, and they are: Be prompt, instructive, and civic-minded. Promptness embraces courtesy, adequate coverage and good claim service. To be instructive, the agent should seize every opportunity to inform his client of the function of insurance and of new forms.

If the agent is civic-minded, he can help promote local activities. No businessman depends more on the welfare of his own town than the insurance agent, Mr. Parker pointed out.

Give \$6,900 for Driver Training

A check for \$6,900 representing funds voluntarily contributed by members of the North Carolina association was presented to Dr. Clyde A. Erwin, state superintendent of public instruction, by Fred C. Kinzie, president of the association to establish a program of safe driver education in North Carolina schools with a full-time safety director in charge.

Dr. Erwin said the money will help demonstrate the need for a permanent program supported by the state.

At the final session of the meeting, at which the presentation took place, Mr. Kinzie said a year ago the public relations committee was asked to aid in the job of doing something about safer driving as a major aim for the year. The committee received more than 400 individual contributions from members. The funds raised are to cover the salary of the director and secretarial assistance for the year.

Chairman of the committee that raised the funds is Reginald L. Price of Charlotte.

Walinder Marks 25th Year with America Fore

B. R. Walinder, secretary of America Fore in the western department, was honored this week at a luncheon at the Union League Club, Chicago, celebrating his 25th anniversary with the company. E. A. Henne, vice-president, presented Mr. Walinder with a wrist watch and a letter from the president, welcoming him to the "Old Guard."

Ralph Kuhns, farm department state agent, presented Mr. Walinder with two pieces of luggage and an electric clock.

Mr. Walinder joined America Fore in the accounts department. He became manager of the collection department in 1928 and was transferred to the Wisconsin field as state agent in 1932. Six years later he was recalled to the Chicago office. He was elected secretary of the fire companies in 1945.

Mr. Walinder has served as president of Farm Underwriters Assn. and is now chairman of the advisory committee. He has been president of Western Hail & Adjustment Assn., and is a member of the executive committee of Crop-Hail Actuarial Assn.

Peter W. Freilich, Chicago manager of Corroon & Reynolds, announces the birth of a son at Henrotin hospital. The child has been named William Stuart Freilich.

Vernier Pacific National V.-P.

W. H. Vernier, manager of the western department of Pacific National Fire at Chicago, has been promoted to vice-president.

Mr. Vernier started in 1923 with the western department of Westchester Fire. In 1930 joined the Chicago Board, remaining there until 1939 when he joined Pacific National at Chicago. He will continue in charge of the western department, which is expanding rapidly.



W. H. Vernier

Opens Jacksonville Office

Great American has opened an office in Jacksonville, Fla., under the supervision of Special Agent Thomas L. Merquelin.

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FIRE AND ALLIED LINES

The Constitution Reinsurance Corporation



HENRI G. IBSEN, President

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ONE THING
TO "BELIEVE"
—ANOTHER TO
"KNOW"

The fire loss adjuster
asks — "What did you
have? What was it worth?"
He requires answers
backed by proof. Are you
ready for him?

The AMERICAN
APPRAISAL
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Over Fifty Years of Service
OFFICES IN PRINCIPAL CITIES



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Complete Coverages

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"Safety & Engineering Service"

Credit Men Pose Questions on All Lines of Coverage

NEW YORK—More than 250 credit managers attended the insurance panel forum here sponsored by the New York Credit Men's Assn. Questions were submitted by credit executives, and the following panel of experts answered them: Michael Volkmer, National Surety, burglary-theft; Paul M. Farley, London Guarantee, credit; John P. Madigan, Maryland Casualty, fidelity-surety; Eugene C. Richards, American, fire; Carl E. Heissner, Atlantic Mutual, inland marine; Edward H. Kingsbury, Royal Liverpool groups, liability; Charles S. Elder, Chubb & Son, ocean marine, and Henry C. Klein, New York Underwriters, use and occupancy.

A. L. Carr, National Surety, chairman of the credit men's insurance committee, introduced Panel Chairman T. F. Glavoy of Chase National Bank.

Questions on Fire

Is it the tendency of insurers to insure for less than 100% of value so the insured shares the loss? Mr. Richards: The opposite is true; the effort of companies is to get values insured fully, and they lower rates as insurance approaches 100% to encourage this.

A firm closes its books Dec. 31, lists inventory at \$50,000 though market value is \$100,000, and insures for \$100,000. A fire occurs Jan. 5, causing a total loss. Inventory position is the same. Would insured collect \$50,000 or \$100,000? Mr. Richards: The fire policy covers actual cash value of property at time of fire. However, insured has to prove the loss. An adjuster under the described circumstances is going to be suspicious. A business that reports one value for tax purposes and another to reflect actual values has a real problem when a loss occurs.

Is it necessary or advisable to insure merchandise in a bonded warehouse? Mr. Richards: It isn't necessary but very advisable. Insuring facilitates recovery in case of loss. The cost is low because insurer eventually recovers from the government.

E.C. Loss Reduces Insurance

Does an extended coverage loss reduce the amount of fire coverage? Mr. Richards: Yes. When the E.C. attaches, no new insurance is created; it is simply extended.

In explaining the operation of profit insurance in connection with U. & O., and the difference between profits and extra expense coverages and U. & O., Mr. Klein explained that profits insurance as written in this country covers manufacturers against loss of profits on their finished goods in warehouse.

A manufacturer has earned the profits on his finished goods; business interruption coverage deals with the future profits to be earned and does not cover finished goods profits. Profits on finished goods can also be insured under a manufacturer's property insurance policy on selling price instead of replacement cost. Only in New York City following long custom many merchants carry profits insurance on their merchandise stocks. Merchants' profits preferably are covered by U. & O. because it indemnifies for profits lost while business is shut down, which may extend during the time of several turnovers of merchandise, whereas profits cover indemnifies for loss of profit on only one turn-over of merchandise involved in the fire.

Extra Expense

Extra expense coverage doesn't indemnify for loss of net profits or normal fixed charges and expenses, and it should not be accepted by a credit man or loan officer as an adequate substitute for business interruption insurance, Mr. Klein said. This is true except for certain types of business, such as laun-

dries, dry cleaning plants, dairies, ice factories, newspapers, printing shops, bottling plants and educational institutions. Business and professional offices and banks should be covered. When credit men and loan officers advise their customers to carry U. & O., Mr. Klein said, they will be wise and consistent to carry extra expense insurance on

their own office and bank premises.

Is it necessary to worry about insurance when a common carrier, responsible for property in its possession, is financially responsible, such as a large railroad?

Mr. Heissner: Yes. Even the railroads under bills of lading, broad as are their terms, are not liable for any and all losses. While they are responsible for the negligent acts of man, these must be proved to have occurred in transit. The carrier may have a limit of liability under freight rate filings. Public truckers aren't always financially responsible. They are not always required to show insurance for the full

value of the goods carried. Uncertainties face the shipper who relies on the truckers' insurance: Is the trucker liable? If so, did he effect insurance for the kind of damage suffered? In sufficient amount? If so, did he keep it valid? Also, the owner who suffers a bad loss generally needs prompt reimbursement, which he gets from his insurer. The rates charged for such coverage contemplate recoveries from the carriers.

The blanket position offers broader coverage than the commercial blanket bond, Mr. Madigan said, because the limit under the second per loss is the

(CONTINUED ON PAGE 16)

In 1863—eighty-five years ago—Fireman's Fund Insurance Company began operations in San Francisco.

in 1867—eighty-one years ago—the company entered the field of marine insurance.

in 1872—seventy-six years ago—its Western Department was launched in Chicago.

in 1885—sixty-three years ago—its Eastern Department was organized in Boston.

in 1895—fifty-three years ago—its Southern Department was established in Atlanta. In the same year its Atlantic Marine Department began operations in New York.

in 1906—forty-two years ago—Fireman's Fund wrote its first automobile insurance policy. It was the first to write this line on a nationwide scale.

in 1930—eighteen years ago—the launching of Fireman's Fund Indemnity Company completed a group of five companies having a reputation for strength, permanence and stability.

today, Fireman's Fund Group—with a long record of successful operations—offers producers multiple-line facilities plus the services of experienced insurance men whose knowledge of local conditions can be of cash register value to agent and broker. The companies of Fireman's Fund Group maintains service offices in sixty-nine cities throughout the United States and Canada.

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Home Fire & Marine Insurance Company
Western National Insurance Company
Western National Indemnity Company

Head Office: SAN FRANCISCO... Departmental Offices: NEW YORK • CHICAGO • BOSTON • ATLANTA • LOS ANGELES



Bowersock Talks Turkey to New York Agents on Issue of Commissions

(CONTINUED FROM PAGE 1)

standpoint are in danger.

Mr. Bowersock recalled that in 1945 there was a formal meeting between representatives of National Assn. of Insurance Agents and Insurance Executives Assn., and the problems confronting companies with respect to rates and commissions were outlined to the agents. The companies made clear that they had been studying the commission situation without having reached any definite conclusion. It was suggested that N.A.I.A. should likewise study the matter. On this head, the N.A.I.A. representatives expressed the opinion that the commission problem was one of personal contract and they should not undertake studies and reach conclusions as an association. In March of 1946, Mr. Bowersock said, the need was again mentioned to an agency group.

Studies Belatedly Undertaken

"While it is obvious that belatedly, certain studies are being undertaken, he said it does seem to interested bystanders that most of the accelerated

thinking on this subject took place fairly recently. I do not raise this point in the sense of being critical, but rather to counteract the misunderstanding which seems to have existed as to what opportunity the agents had to contribute in the studies the companies were making."

He expressed the hope that it will not be necessary to deal with the commission matter legislatively, but he said he fears that if the greatest degree of statesmanship is not applied, there will be no other solution. Such an approach would involve the creation of an OPA to supervise the agents' compensation. "That, to me," he said, "would be a regrettable step, but one which may be necessary if we cannot bring about a proper solution in a more democratic way."

Mr. Bowersock said that a fear has developed that the equalization of wind and E.C. commissions with fire commissions in certain sections is a first step in a series of moves to reduce agents' commissions in ordinary territory. What

was done in the west and southwest was no more than to place the business in those areas on relatively the same basis as it has been dealt with in the east ever since there has been an extended coverage endorsement. He said that psychologically it was unfortunate that this step had to be taken at a time when excepted city commissions were being discussed. He said there has never been any suggestion from company ranks that there should be a reduction in the average fire commissions paid to agents in ordinary territories.

Over a great many years the commission paid in ordinary territory has been stabilized at the present level. For about 74% of the agents in the east it is 20% flat. Thus there is a reasonable indication that in the minds of agents and company managements, 20% commission has proven to be a fair rate. He said that the ordinary agent should not be concerned about fire commissions unless, because of increased cost, he feels that with the present scale there is not an equitable net return for an efficient agent. If so, study should be made by the agents that would tend to justify the necessity for increased compensation. These studies should be factual and should be dealt with wisely. There is no reason for agents outside the excepted cities to be disturbed.

Problem in 13 Cities

In effect, the real commission problem is limited to the compensation of so-called class 1 or principal agents, qualifying for higher commissions in 13 cities.

Boston is the only excepted city in New England, but even there many agents have never qualified for excepted city classification. The problem in New York state is limited to Buffalo, Tonawanda and North Tonawanda because the New York City downtown agent is, in effect, the company branch office operating on a commission basis. In Pennsylvania there are Philadelphia and Pittsburgh. There are Baltimore and Washington, and in the midwest there are the problems of Cincinnati, Cleveland, Louisville, Detroit, St. Louis, Milwaukee and Chicago. There are no problems in the south and southwest.

Where very high commissions are paid to agents, much of such excess is frequently passed on to others. For instance, agents were paying as high as 25% brokerage and providing office space and stenographic service when they were getting 32½% themselves. Also payment of 25% brokerage has not been uncommon when the rules that the agents themselves had established called for 15% brokerage. Payments of 30 to 35% have been made for preferred business to sub-agents.

Dealing With Production Staff

Mr. Bowersock said that the underwriting expense other than commissions, taxes and fees amounts to slightly more than 12½%, and of this portion more than 40% was expended in services provided by the companies in the field. The bulk of these field expenses are to provide agents with constructive assistance in the development and handling of business. There is very little of the premium dollar spent by the companies for their entire operations other than dealing with their production staff and taxes. Hence, whatever savings could and should be made in company expense other than commissions, would have an infinitesimal effect on the results. Mr. Bowersock asked how much more commission can be paid to an excepted city agent than to those located in ordinary territories, without prejudicing the profit potential to which the stockholders are entitled, or the catastrophe allowance in the rate which should be used as an additional factor of strength in the surplus. He said that any agent who receives more compensation than another must render more service. In compensating people for hire, it must be made certain that the insurer is receiving a quid pro quo for payments made.

"If we are to compensate agents in any locality on a higher scale than we

pay generally," Mr. Bowersock said, "not only must such compensation be for extra services rendered, but such services must actually be rendered in fact, and their cost saved to the company."

Cutting the Rates More Finely

Mr. Bowersock went on to say that the nearer the business can come to arriving at its rate calculations actuarially, the less leeway there will be in rates. He said the business is moving in that direction and hence companies cannot spend more for expense than they are allowed as an expense factor in the rates. If an excepted city agent because of knowledge, training and staff is able to operate without any kind of field or engineering service, a certain amount of expense can be transferred from the company column to the agency column. When that transfer of expense is greater than the saving made by the company, the latter jeopardizes its strength.

Mr. Bowersock referred to the casualty commission situation, saying that one reason why such commissions have been stabilized is the influence of the acquisition cost conference which was militantly supported by the New York department. Many large city agents, he said, complained because their fire commissions have been reduced, but they are complimentary about the handling of the commission problem in the casualty field. Yet, he said, they are receiving an additional 5% to 10% or more from the fire companies than they have been getting from the casualty people. Casualty supervisory allowances are from 5 to 7½%, yet many schemes recently offered by fire companies allow these same excepted city agents 7½ to 10% for similar services.

He asked why excepted city agents so violently condemn these overriding commissions. He vouchsafed the opinion that it is because they fear one another competitively when faced with the



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necessity of reducing sub-agency or brokerage commissions. There is the further problem which many excepted city agents feel is very real, and that is if brokerage and sub-agency commissions are reduced as much as 40%, as they must be at some points, the primary producer may become insolvent. These are real problems and they can only be corrected when dealt with firmly. Mr. Bowersock pointed out that casualty companies do not recognize excepted city agents as such. There may be some justice in a differential in commissions between casualty and fire because of the necessity of handling more small premium policies in the fire business. He said that casualty commissions have not compensated principal agents as liberally for work done in metropolitan areas as have fire commissions.

Capital, according to Mr. Bowersock, has not been particularly interested in putting new funds into the insurance business and this, in part, accounts for the seeming lack of capacity. If the insurance business were producing satisfactory returns to the investor from underwriting, capital could be attracted to it. Insurance investments have always appealed to investors because they had an interest in a business known as insurance, and an interest in a form of investment trust, therefore, they felt that with proper returns on the insurance business, it had great appeal. This appeal has been greatly diminished by the fact that the underwriting side of the business has not produced results that in the mind of investors justified the catastrophe exposure to which invested capital is subjected. With rates under supervision, if the business is to be made attractive to capital, he said, "we have got to be absolutely certain that every factor in the rate is sound from an economic standpoint, and with this, I am certain, you will not disagree."

STOTT'S VIEWS

John C. Stott of Norwich, vice-president of N.A.I.A., in discussing the commission question in a period bracketed with the Bowersock talk, said he is not greatly disturbed about commission reductions made so far but he objects to the method of reduction as do most producers. Reduction notices were cold, formal and legalistic, and disregarded the elements of mutuality in the contracts. More important, agents appear to have no recognized collective voice about commissions, he declared.

This makes them submissive representatives of the companies, thankful for advisory commission rates announced by company associations. Such a status is humiliating and unjust. Figures so far show that five points less commission on present volume would force many agents to liquidate.

He advocated a new approach to the whole problem. The public, not the companies, pays the agent his commission. He doesn't want to have his state or national association negotiate to fix commissions, but neither does he want the companies to agree concertedly on what the commission shall be without benefit of conference with producers' representatives.

However, if commission negotiations must be legalized, he wants his association to represent him and his interests in the legislatures. He urged discussion of the problem between N.A.I.A. and companies. If they do thus meet on "common ground" to discuss their mutual problems, including human relationships and economic security, the industry will not have a commission problem.

He deplored reluctance of companies to discuss and confer with agents and doesn't believe it so illegal to do so.

Ackermann to Western Post

Howard R. Ackermann, staff adjuster at Chicago for Home, is being trans-

ferred to Salt Lake City as resident adjuster for Utah, southern Idaho and Nevada.

Mr. Ackermann has been with Home for 21 years, starting in New York in the loss department. He went to Chicago in 1937 as staff adjuster. During the last war he was in the army overseas.

Stephens Heads Dallas Club

Robert S. Stephens, Employers Casualty, was elected president at an organization meeting of Dallas Casualty

Underwriters Assn. The group plans to meet once a month at dinner. Other officers are Don Squibb, Employers Liability, and Walter L. Baer, American-Associated, vice-presidents, and John Scrimshire, Hardware Mutual Casualty, secretary-treasurer.

Dean Vincent, Inc., Portland, Ore., local agency and property management firm, has appointed Matt J. Cramer insurance analyst and consultant. He will specialize in insurance surveys. Mr. Cramer has had 23 years in insurance and has operated his own agency.

Lawyers to Hear Malone

Commissioner Malone of Pennsylvania will be a speaker at the annual meeting of Pennsylvania Bar Assn. at Atlantic City June 30.

Fair Mass. Convention Chief

Arthur B. Fair, vice-president of Massachusetts Assn. of Insurance Agents, has been named general chairman for the annual meeting of the association at the Copley Plaza, Boston, Oct. 27-28.

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NEWS OF FIELD MEN

N. W. Regional Conference of Blue Goose at Portland, Ore.

Jack C. Neer, most loyal gander of the Oregon Blue Goose, has announced that the annual northwest regional conference of Blue Goose ponds will be held at Portland May 21. Members of the British Columbia, Seattle, Washington (Spokane) and Oregon ponds will spend a full day at Oswego Lake Golf & Country Club near Portland.

In addition to a full program for the visiting ganders, a special schedule of activities has been arranged for the ladies.

The Oregon pond will hold its annual meeting, which all visiting ganders are invited to attend, after which the conference will hold its annual meeting.

There will be an informal luncheon, with a golf tournament in the afternoon, and a cocktail hour at 6 p. m., followed by a banquet and dancing.

Will Inspect Grand Rapids

Minnesota Fire Prevention Assn. will inspect Grand Rapids May 20, the last

inspection of the year. At Worthington a 15-minute broadcast over the local station was given by W. W. Foster, Aetna Fire, president of the association; Leonard Zell, Hanover, and E. F. Halloran, Hartford. Mr. Halloran also spoke at the banquet, together with Howard Thomas and Ben Cords, deputy state fire marshals.

Rex to Michigan Field

LaVon Rex, who has been special agent of Ohio Farmers at Toledo, has been transferred to the Michigan state agency at Grand Rapids. He will assist State Agent Thad S. Troy and will represent both Ohio Farmers and Ohio Farmers Indemnity.

Kuster to Be Local Agent

Fred Kuster, special agent at Los Angeles of Atlas, has resigned and will enter the local agency field at Glendale, Cal.

Minn. Field Outing Set

Field men of Minnesota will have their annual outing at Pine Beach lodge,

Brainerd, Minn., June 16-17. This Minnesota Underwriters Assn. and Minnesota Fire Prevention Assn. will hold their annual meeting and the Blue Goose will have its annual banquet. The committee on arrangements is made up of the heads of the three groups, J. H. Klinkenborg, Phoenix; W. W. Foster, Aetna Fire, and Paul Olinger, Agricultural.

The Blue Goose will hold its annual fishing party May 22-23 at Pines resort on Lake Winnibigoshish.

Hold Wis. Rallies June 22-24

MILWAUKEE—Wisconsin field organizations will hold their annual meetings and outings at Chula Vista resort, Wisconsin Dells, Wis., June 22-24, it has been announced by William H. Berry, America Fore. The Blue Goose will meet Tuesday evening, June 22. Fire Underwriters Assn. and Wisconsin Insurance Club of Bureau companies will hold separate business meetings, some joint sessions and a joint sports and social program the next two days.

Ralph Speck to Field

Commercial Union has appointed Ralph Speck as special agent in the suburban New York field operating from Jamaica. He is a war veteran and has been a Commercial Union man his entire business life.

Heck to Ind. for Fire Assn.

Fire Association has named Robert C. Heck special agent in Indiana with headquarters in the Security Trust building, Indianapolis.

Mr. Heck is a navy veteran. He started in the business in 1941 at Freeport with Crum & Forster and since the war has been in the western department of Fire Association at Chicago.

Wright in Cal. Field

W. O. Wright, who has been in the Pacific department office of National Fire at San Francisco, has been appointed special agent for the Sacramento valley and north coast counties, attached to the Sacramento service office.

Field Speakers Graduate

Twenty members of the speech class sponsored by Minnesota Underwriters Assn. were graduated at exercises at a meeting at Minneapolis. All were called on for speeches, including the instructor, Prof. Albert Fulton of University of Minnesota.

Fresno Ceremonial May 21-22

Fresno puddle of San Francisco Blue Goose is holding its annual two-day ceremonial and barbecue May 21-22. The ceremonial will be followed by a dinner and entertainment program.

Set Tenn. Annual Meetings

Tennessee Fire Underwriters Assn. Tennessee Fire Prevention Assn. and Tennessee Blue Goose will hold their annual meetings at Lookout Mountain Hotel, Chattanooga, June 23-24.

Grand Nest Headquarters

Convention headquarters for the grand nest meeting of Blue Goose at Quebec in September will be at the Mount Royal hotel instead of the Marlborough, as reported previously by THE NATIONAL UNDERWRITER.

The name of New Jersey Field Club has been changed to New Jersey Insurance Fieldmen's Assn.

Insurance Women's Club of Oklahoma City elected Miss Pauline Garver president; Miss Christine Arthur and Mrs. Willa P. Drake, vice-presidents; Mrs. Leon Jones and Miss Betty Beauchamp, secretaries; Miss Wallicia Gardner, treasurer. Delegates to the national convention are Miss Garver and Miss Rachel Cheek. Reports of the regional meeting at Shreveport were given by Miss Nettie Lee Owens and Mrs. J. H. Pattillo.

CHICAGO

NOTTELMANN MAKES CHANGE

Otto E. Nottelmann has become associated with Engelhard & Co., metropolitan supervising agency of Chicago. Previously for some time he has been vice-president of the George A. Rapp & Co. agency of that city, and before that for many years Mr. Nottelmann was vice-president and office manager of H. Dalmar & Co. agency.

FAY JAMES TO R.B.H.

Fay James has joined the fire insurance department of the Rollins, Burdick, Hunter Co. agency of Chicago. In recent years he has been with Fred S. James & Co., and before that was in the farm department of Fireman's Fund.

ADJUSTER POWERS MOVES OFFICE

Martin J. Powers, adjuster, has moved his office to A-2018 Insurance Exchange building, Chicago. The phone number is Wabash 1393.

HONOR PRODUCER COUGHLIN

James F. Coughlin, star fire and casualty producer of W. A. Alexander & Co., Chicago, was honored in recognition of completing 100 consecutive months in which his earnings have increased over the corresponding month of the previous year. At a luncheon

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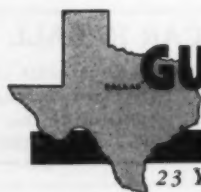
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tendered to him by officers, Wade Fetter, Jr., president, presented Mr. Coughlin a gold watch.

The agency furnishes its producers lists of names sorted geographically, to whom accident insurance circulars have been sent. Mr. Coughlin tackles 45 such cold prospects a week for personal accident insurance, from which he works into other types of coverage.

APPRAISAL FIRM MOVES

Mayer & Johnson, appraisers, have moved to larger offices in A-1008 Insurance Exchange, Chicago. J. H. Mayer, head of the firm, which was established in 1932, is well known in insurance circles in the city.

Credit Men Pose Insurance Queries

(CONTINUED FROM PAGE 15)

bond amount but under the first the limit per loss is the bond amount times the total number of employees involved in the loss. As many losses are caused by employees in collusion as by employees individually.

It is difficult for an employer to determine the minimum fidelity coverage he should carry because that often becomes the maximum. How much is enough? There is no single sensible yardstick; even firms doing exactly the same kind of business may need different amounts. One underwriter follows the practice of setting out the hazards, informing the employer of his risk, getting the employer to name an amount, and then doubling it. Another points out that experience shows an employee in a year can steal an amount equal to 10% of the cash, inventory and accounts receivable of the firm. The average large loss remains undetected three to 3½ years. So he takes the 10% figure times three.

Mr. Madigan's own yardstick is to have the employer select a figure after discussing the problem, an amount of coverage he feels would be entirely adequate if he could have it for nothing. It is then up to him to buy as much less than that as he feels he can afford.

Credit insurance, Mr. Farley said, doesn't attempt to supplant the credit manager. On the contrary, it is doubtful if the coverage would be issued if there were no credit manager. Credit insurance picks up at that point where the credit manager's control leaves off, when the goods are shipped.

There is no reason for credit insurance to influence a firm to limit sales to lower credit rated firms because the policy guarantees only a certain recoverable amount in case of loss. There is no profit in a loss. If a firm is willing to ship to a customer when there is no credit coverage, certainly it would be at least as willing with insurance.

While credit insurance on specific accounts or on a comprehensive basis is optional, Mr. Farley urged the comprehensive cover. The firm can't pick the source of loss in advance. However, certain firms can be eliminated—governmental units, large national concerns like General Electric, and so on. Specific insurance would certainly be justified where a small manufacturer sold to one account.

A firm that micro-films its accounts receivable gets a premium reduction, Mr. Volkmer said. If at least 51% of the total amount outstanding is micro-filmed and the film is kept in a bank vault or similar safe place, the reduction is 25%. The company pays for any expense incurred at its request, including reconstruction of receivables to the extent of the loss, and this is in addition to the amount of coverage.

Are personal claims resulting from damage given preference over general creditors if the company has to be liquidated as a result of a loss? Mr. Kingsbury: No. The judgment creditor has no preference unless he has established a lien that is recorded, this four months prior to the petition in bankruptcy.

Louisiana Agents Elect A. H. Petrie

A. Heath Petrie of Alexandria was elected president of Louisiana Assn. of Insurance Agents at its annual convention at Edgewater Park, Miss., and thus became the first son of a former president to follow in the footsteps of his father. His father, the late George A. Petrie, was president in the early days of the association.

The meeting was marked by several thorough discussions of agency and underwriting problems. The convention voted to return to Edgewater Park for its 1949 convention, and the executive committee was authorized to arrange sponsorship among the larger exchanges in the state.

The delegates adopted a resolution urging companies to provide insurance against damage by waves and rising water, either as part of extended coverage or as separate insurance.

W. Eugene Bingham of Baton Rouge, the retiring president, became a member of the executive committee. Harold A. Boling, Lake Charles, was advanced to vice-president and Cecil R. Middleton, DeRidder, was elected secretary-treasurer. E. J. Seymour, Monroe, was

reelected state national director and E. S. Girault, Monroe, was added to the executive committee.

The only formal addresses on the program were by John C. Stott, Norwich, N. Y., vice-president of the National association, and Mr. Bingham, in making his report for the year. However, the forums on the new insurance code, and on fire and casualty lines, were widely participated in. Wade Martin, ex-officio insurance commissioner introduced the insurance code subject and Frank Purvis, deputy insurance commissioner, answered numerous questions.

Petrie Heads Fire Forum

Mr. Petrie was in charge of the fire forum, and William S. Bizzell, manager of the Louisiana Rating & Fire Prevention Bureau, answered questions. For the casualty forum, L. W. Collens, Baton Rouge, was chairman, and O. Wharton Brown, chairman of the Louisiana Casualty & Surety Rating Commission answered questions.

Mr. Bingham urged the association to increase the number of regional meetings each year. E. H. Ruble, president of the Mississippi association, welcomed the agents to his state. Austin Reese, president of Louisiana Fieldmen's Assn., said that the field men are inaugurating a program of public speaking for the

ensuing year.

Mr. Stott urged the agents to become more militant in their public relations work. He asserted that the public does not think as much of insurance as the agents may believe. He pointed to the threat of nationalization and said that the agents would be surprised at the number of people who would be willing to nationalize the insurance business.

The National association film, "Your Best Policy," was shown as were the films on the Gulf coast hurricane and the Texas City disaster as prepared by the General Adjustment Bureau. James F. Miazza, assistant general manager, was in charge.

No Water Damage Loss

Apparently there was no insurance loss caused in New York City when a 48-inch water main broke, sending hundreds of tons of water into the cellar of the 10-story Pathe building in midtown Manhattan. Damages are estimated at close to \$500,000.

The basic water damage policy does not cover in instances such as this unless an underground water supply main and fire hydrant endorsement is attached. This costs 20% in addition to the basic premium.



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EDITORIAL COMMENT

More UCD Plans in the Offing

It would not be surprising to see quite a flood of cash sickness benefit proposals in the many states that don't now have them, particularly if the New Jersey plan goes through at this session of the legislature. This is an "off" year for legislatures but in 1949 the great majority will be in session and there is sure to be widespread agitation for cash sickness plans.

Insurance people are by now reconciled to the inevitability of such plans but feel that a plan on the New Jersey pattern is something they can live with. Moreover, since nearly all the other states where efforts could be made to introduce such a plan do not tax employees for contributions to the unemployment benefit fund it should be possible to equalize the load between employer and employee more than under the New Jersey plan. The experts say this would be desirable.

The New Jersey plan calls for payment of three-quarters of 1% by the employee and one-quarter of 1% by the employer. This represents a reduction for the employee, who has been paying 1% into the fund as his share of the unemployment compensation load but probably in other states, where employees pay no unemployment compensation tax, it would be difficult to sell employees the idea of paying more than one-half of 1%

of payroll for cash sickness benefits.

Another advantage of splitting the load half and half is that it would give more play to merit rating. The employer's contribution is the only part that is merit-rated and one-quarter of 1% would in many cases not be enough to give the employer the full benefit he should get. Some employers might have such a good record that even giving them back the full 25% of premium that they had contributed would not be enough.

Another weak point that might be improved in future plans is the relating of benefits to past wage history rather than to current earnings. Insurance company practice is in general to relate benefits to what an employee would earn if he were able to continue on the job, not to what he actually earned at some period in the past when his pay may or may not have been in line with what he currently makes. The difficulty with linking benefits to present earnings is that since the unemployment records are kept on a past history basis a change would mean keeping an extra set of records. However, there are some indications that unemployment compensation people are not too happy about the system of relating benefits to past earnings, so perhaps there is reason to hope for a more realistic basis.

Optimistic Note

From a long range standpoint, a good many chief executives in the fire insurance field are optimistic as to the effect of regulation on rate levels. They feel that if formulas can be devised that the industry and the states can stand on and if the administration of the laws is what it should be, rates will become much more responsive to changed loss situations and trends. While this, of course, would foreclose the possibility of any repetition of the experience of the 1930's when the rate structure did not follow downward for some time the abnormally low loss record, it would also, the leaders opine, give the insurers much more immediate relief when factors emerge that make it obvious that the rates are below par.

In the pre-regulation days, the commissioners actually exerted a potent influence in many states to prevent rate increases. They lacked authority of law, but they were fearful of public reaction and the industry was loath to press for rate increases, until the com-

panies had spilled a lot of blood. In the future, it is hoped, the companies will proceed to petition for rate adjustments just as soon as indications are clear that these are in order. If such a situation does come about, it would tend to provide a stability to fire insurance results that would prove beneficial from many standpoints. There would no longer be an opportunity for a run of luck that would permit the capture of large profits percentagewise from underwriting, but it would also protect the industry against a prolonged period of deficits and declining surpluses, from the underwriting side.

Not the least of the advantages of such a condition might be an increase in interest in insurance shares on the part of the investor. The lack of investor interest in such stocks is something that is giving management considerable concern. It is something that has had perhaps a retarding effect on insurance development in these days when the business is so easy to get. It is true

that the companies that have been able to meet the demands of the day in the most normal fashion are those that have followed a strong plow back policy over the years, that have paid out only a limited portion of investment income in stockholder dividends, but those very same companies, that are in the most solid position, are the ones that are offering the lowest yields to the stockholder. While there are institutions and wealthy persons and estates that are attracted by such solid situations that offer an excellent possibility of appreciation, the average investor can't be attracted, especially when he sees what appear to be sound situations in other fields offering a yield of two or three times as much and with a good chance

for appreciation, too. Thus the insurance industry, largely deserted by the investor, feels the necessity of relying on its existing resources and resisting expansion.

Leaders in the securities field have been giving much attention to this whole problem and have been conferring with some of the insurance management group on what, if anything, can be done to win favor for insurance equities on the part of the average investor. While the whole answer and perhaps not even the key answer may not be stability in the rate structure and assurance against prolonged blood letting, yet there are some far-seeing executives who feel that it may be a basic factor and they take an optimistic view.

PERSONAL SIDE OF THE BUSINESS

George Elliott, executive of National Automatic Sprinkler and Fire Control Assn., is in Temple University Hospital, Philadelphia, recovering from injuries suffered in a fall April 15. He expects to be out shortly. Mr. Elliott is former president of National Fire Protection Assn.

Russell D. Hobbs, manager of Western Actuarial Bureau, was able to return to his home this week after undergoing an operation at Wesley Memorial hospital, Chicago. He was taken ill at Swampscott, Mass., while attending the meeting of Western Underwriters Assn. there, and he and Mrs. Hobbs returned a day ahead of time to Chicago. He entered the hospital on his arrival at Chicago and underwent an operation there the same morning.

F. L. Weineck of Milwaukee, who retired just recently as state agent in Wisconsin and the Upper Peninsula of Michigan for Sun, is an insurance man of 57 years' standing. He got his introduction to the business in 1891 in a local agency at Racine, Wis. Shortly thereafter he moved to Milwaukee, and again became connected with a local agency.

In 1900, Mr. Weineck got into company ranks, serving as special agent for Rochester German in Wisconsin, Iowa and Nebraska. Later on he traveled in Wisconsin for Westchester and California. When the latter company re-insured, he was for a short time with Marquette National and then he became Wisconsin state agent for Sun in 1916. The Upper Peninsula of Michigan was added to his territory several years ago.

Charles S. Drew, a partner in the W. H. Markham & Co. agency, St. Louis, sailed for England on the "Queen Elizabeth" and plans to return June 6.

Three executives of the Aetna Fire group are celebrating anniversaries, they being Vice-president **Thomas F. Buchanan**, Vice-president **P. W. D. Jones** of Charlotte, N. C., and Assistant Secretary **Frank W. Stickels**. Mr. Buchanan becomes an Aetna 25-year man. He was appointed state agent for Connecticut and western Massachusetts in 1923. He gave up field work in 1928

when he was made general adjuster. Two years later he was elected assistant secretary and in 1933, secretary. He has been vice-president since 1943.

Mr. Buchanan attended New York University. In 1904 he joined Atlas in the loss department. After 12 years with that company followed by three years with General Adjustment Bureau of Boston, in 1919 he returned to Atlas as special agent for western New England. Four years later he joined Aetna.

Mr. Buchanan is a member of the conference committee of G.A.B. and committee of Adjustments of National Board. He is a trustee of Goodwill Boys' Club of Hartford.

Mr. Jones is vice-president of Piedmont Fire, Aetna's wholly owned subsidiary at Charlotte. He is a 35-year man. He is also secretary of Aetna, World F.&M. and Standard of New York. A native of Virginia, he entered the business in 1899 with an Aetna agency at Emporia, Va. Five years later he became secretary of Homestead Fire of Franklin. In 1908 he was made special agent of National Union and in 1913 he joined Aetna as special agent for North Carolina and later became state agent. In 1923 he went to Hartford with the title of general agent and in 1924 was elected assistant secretary. His promotion to secretary followed and in 1930, when Piedmont became a member of the Aetna group, Mr. Jones was appointed vice-president and transferred to North Carolina.

Mr. Stickels is observing his 30th anniversary. He was first associated with the accounting department and later joined the brokerage department. In 1928 he was appointed auditor for Century Indemnity. He was elected assistant secretary of Century in 1941 and of the fire companies in 1947. Mr. Stickels has been in charge of the business administration department, since it was established in 1945.

Ebbe Wijkander, assistant manager of Svea Fire & Life of Gothenburg, is at New York and can be reached through the offices of Christiania General. He has been in the country for three months and does not expect to return to Sweden before the end of the year.

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He expects to visit other sections of the U. S. as well as Canada and Mexico. He reports that in Sweden, contrary to the trend toward multiple line operations in this country, the government has directed the companies to break up into separate fire, casualty and life entities by January, 1949.

O. D. Evans, vice-president of Standard Underwriters Agency, St. Louis, celebrated his 40th anniversary as an agent May 1. He is a former president of Insurance Board of St. Louis.

DEATHS

John J. King Dies in 81st Year

John J. King, who was chairman of the Hooper-Holmes Bureau, and who for many years had been one of the best known figures throughout the insurance area, died Sunday at New York. He would have been 81 in November. His son, Edward King, is president of the Hooper-Holmes Bureau and another son, J. Charles King, is executive vice-president.

Mr. King was born at New Haven and was educated there. He started in investigation work at Denver and later joined the investigation staff of the old Mutual Reserve Life of New York. In 1908 he became an inspector for Mutual Life, and in 1912 left to become vice-president of the Hooper-Holmes Bureau. He later became the president and general manager. During the first war he organized the investigation department of the war risk insurance bureau, and was deputy commissioner of the bureau. He was a past president of Casualty & Surety Club of New York, Insurance Society of New York, and Insurance Institute of America.

Mr. King was a hearty robust character and was a great host on many occasions. For many years he gave a game dinner at New York during the week of the meetings of the Life Presidents Assn. and Insurance Commissioners, honoring the new president of American

Life Convention. This was one of the prized insurance social events of the year.

Mr. King, writing in the 50th anniversary number of THE NATIONAL UNDERWRITER last year, recalled that in 1895, William DeMattos Hooper, who later was co-founder of the Hooper-Holmes Bureau, started an interchange of claims information between A. & H. companies, which he called the National Information Bureau. In 1899 Bayard P. Holmes, an insurance attorney of New York, became interested in the venture and in that year the bureau was renamed the Hooper-Holmes Information Bureau.

In 1912 Mr. Hooper died and Mr. Holmes got Mr. King to join the Hooper-Holmes Bureau and to form a new commercial reporting department to operate as a companion service to the claims interchange. It was thus Mr. King who developed the Hooper-Holmes Bureau's commercial reporting service.

George R. Cameron, local agent at Fostoria, O., died there.

Charles A. Pryce, 84, for 50 years in the insurance business at Columbus, O., is dead. He had operated an agency under his own name 40 years.

Earl B. Ramsdell, 59, sole owner of the Johnston-Ramsdell agency, San Antonio, died of a cerebral hemorrhage. He was a native of Pittsfield, Mass., and made his first visit to San Antonio as a boiler inspector for Travelers. For part of his army service in the first war he was stationed in San Antonio and returned there after his discharge. For a time he was with Lytle W. Gosling & Co. as a solicitor, then became a member of the Sachs, Newton & Ramsdell agency, later Johnston-Ramsdell. He was a former president of San Antonio Insurance Exchange.

Edward F. Wilson, 64, vice-president of Trembley-Wilson Co. agency, Webster Groves, Mo., died of heart disease. He was a former mayor of Webster Groves.

W. H. Root, 56, broker with Lawton-Byrne-Bruner agency, St. Louis, who had been in the insurance business there 30 years, died of heart disease at his home at University City.

Henry B. DeGray Meets Death in Farm Accident

Henry B. DeGray, president of Appleton & Cox, was killed instantly Saturday afternoon when he was struck by



HENRY B. DEGRAY

a stone during a blasting operation on his farm. Funeral services were held from his residence at Wyckoff, N. J., Tuesday afternoon.

Mr. DeGray's entire business experience had been with Appleton & Cox. He started with that organization in 1919, after having graduated from Princeton in 1918. He had traveled throughout the world and had many friends in Europe and elsewhere. He was a representative of American Institute of Marine Underwriters at the 1947 International Union meeting at Cannes.

Mr. DeGray was for many years a director and vice-president of Appleton & Cox, and he had been president since 1943 when Harry E. Manee became chairman.

Mr. DeGray was a director of Board of Underwriters of New York. He was vice-president of American Institute of Marine Underwriters, and of American Marine Insurance Clearing House. He was vice-president of Marine Managers, Ltd., of Toronto, and Pacific Marine Insurance Agency of San Francisco, and he was a director of U. S. Fire, Westchester Fire, North River and Seaboard F. & M.

Clarence R. James, who retired in 1943 because of ill health as Wisconsin field man for Aetna Fire, died Monday at Milwaukee hospital. His age was 60. He had returned recently from a winter in Florida. Mr. James' entire insurance experience had been with Aetna. He started in the western department at Chicago, and later was sent into the field.

Chervenak Now President of Two C.I.T. Insurers

Emil C. Chervenak, formerly executive vice-president, has been elected president of Service Fire and Service Casualty. Arthur O. Dietz, president of C.I.T. Financial Corp., who has been the president of the two insurers, now becomes chairman.

West Bend Fire Promotions

Robert S. Barber has been named secretary of West Bend Mutual Fire, West Bend, Wis., filling vacancy caused by death recently of A. C. Fuge. Harold V. Fuchs has been appointed assistant secretary.

Mr. Barber started with West Bend as special agent in 1940 and became assistant secretary in 1943. He also becomes a director. Mr. Fuchs served for five years in the army, being a first lieutenant in the quartermaster's corps in the Pacific. He joined West Bend as auditor upon separation.

QUICK PICTURE

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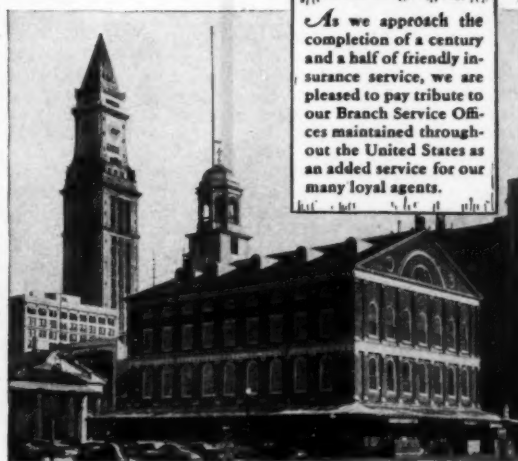
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Boston, capital of Massachusetts, has been associated with the history of the United States since 1614. Its public buildings, old and new, are American by-words. Faneuil Hall, completed in 1762, was Peter Faneuil's gift to Boston. It contains many historic paintings, is still the city's public forum and is known as the "Cradle of Liberty." This important New England city was selected early as an ideal location for one of our branch service offices.



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Casualty Premium Total Nears \$3.5 Billion

**Grand Total Increased
Nearly 30%. Argus
Chart Shows**

Casualty and surety companies wrote nearly \$800 million more in premiums during 1947 than in 1946, the exact total being \$3,479,207,067 last year, an increase of 29.7% from the \$2,682,299,980 written in 1946, according to the four page summary of the business presented in the new 184 page Argus Casualty & Surety Chart for 1948, recently published by THE NATIONAL UNDERWRITER. In 1945 approximately these same companies wrote \$2,167,393,820 in premiums. Total losses paid including adjustment expenses rose 23.1% from \$1,405,040,203, in 1946 to \$1,729,022,612 last year. In 1945 losses paid aggregated \$1,122,118,821. The industry's paid to written loss ratio for 1947 was 49.7 compared to 52.4 in 1946 and 51.8 in 1945.

Assets of all stock companies excepting A. & H. companies and life companies writing A. & H., increased from \$5,365,124,116, to \$6,145,071,664, with their total surplus to policyholders rising from \$1,165,625,947 to \$1,312,700,728 at the end of 1947. The net gain from investments for these companies was \$44,425,497, compared to \$17,192,673 in 1946 and \$151,773,223 in 1945. In contrast to an underwriting loss of \$15,949,640 in 1946, these companies had a gain from underwriting of \$22,811,130 in 1947.

Stock Company Gain 28.2%

According to this analysis, stock companies of all kinds wrote a total of \$2,288,001,885, an increase of 28.2% from \$1,784,945,081 the previous year. Of this total, \$651,126,490 was A. & H., and \$778,621,992 was automobile business, increases of 17.9% and 41.8% respectively. Stock companies excepting exclusively A. & H. and life companies writing A. & H. wrote \$1,814,002,436 in premiums during 1947, a gain of 27% over the \$1,427,854,323 written by them in 1946. Workmen's compensation premiums, the next largest stock classification, amounted to \$408,979,731 in 1947 as compared with \$318,366,691 the previous year. Liability other than auto premiums totaled \$171,469,992 in 1947, up 26% from 1946. The U. S. branches of foreign companies wrote \$163,930,036 in 1947 compared to \$129,280,410 the previous year. Stock A. & H. companies wrote \$471,389,520, an increase of 31.7% over the \$357,909,758 in 1946.

Mutual companies excepting A. & H. wrote \$640,473,182 in premiums last year, an increase of 33% over the \$481,430,373 written in 1946. Mutual companies of all classes wrote \$778,361,034 last year, a gain of 28.6%. Of this \$778 million of mutual premiums, \$343,361,786 was auto business, \$228,903,344 compensation, and \$150,107,973 A. & H. Hospitalization associations wrote \$279,514,990 last year, up 43.6% from 1946. Reciprocal and Lloyds wrote \$135,939,187, up 39.6%. Over \$100 million of this was automobile. All these figures are taken from the actual adding machine totals of statements shown in the Argus Chart which includes practically all companies in the business.

Losses paid for the industry as a

FTC Must Spend Year Evaluating State Laws, Counsel Tells C. of C.

The Federal Trade Commission during the fiscal year 1949 will do little more, as far as the insurance industry goes, than attempt to ascertain the extent to which the states have regulated practices which would be subject to corrective action, according to William T. Kelley, general counsel of FTC. He was addressing the insurance regulation luncheon at the annual meeting of U. S. Chamber of Commerce in Washington. He commented that the limited funds granted by congress of \$10,000 will not permit a great deal of work to be done which requires expenditure of any substantial sum.

Mr. Kelley said that section five of the FTC act declares unfair methods of competition and unfair and deceptive acts or practices in commerce to be unlawful. Where the commission has reason to believe such conditions exist, it is authorized to act. Violations of the act subject to the commission range in the broad language of section five from simple commercial deceit to complex problems of industry price structure.

Sections six and nine of the FTC act arm the commission with authority to gather and compile information and to require corporations under oath to file annual or special reports or answers in writing to specific questions. The right of access to documentary evidence are provided and the necessary authority to compel the attendance of witnesses and the production of evidence. He did not anticipate the commission would find occasion to use these powers during the next fiscal year in regard to the insurance business.

Mr. Kelley disclosed that most matters

arising under the Federal Trade Commission act are brought to the attention of FTC by competitors of the alleged violator or by a member of the public. In other instances, the commission initiates investigations. In all cases the commission proceeds in its own name and the name of the person directing its attention to the matter is not disclosed.

If the commission concludes that the practices are violative of the act and are such as may be corrected by agreement with the violator, the privilege of stipulation may be granted, whereby the alleged violator executes a document in writing agreeing to discontinue the practices found to be illegal.

Mr. Kelley said that the commissioners found these stipulations effective in eliminating numerous illegal practices without the necessity of issuing formal complaint. However, if the practices are such that the commission does not consider them appropriate for stipulation, it directs the complaint and the files to go to the bureau of litigation for handling.

Clayton Act Exceptions

According to Mr. Kelley, the procedural provisions under the Clayton act are similar to those under the FTC act with two important exceptions. One is that Clayton act orders do not become final at the termination of any stated period. The other is that remedy for violation of an order under the Clayton act is not a penalty suit.

(CONTINUED ON PAGE 37)

whole totaled \$1,729,022,612, an increase of \$324 million over the \$1,405,040,203 paid the previous year. Stock multiple line and auto companies paid losses of \$836,340,809. The losses paid to premiums written ratio declined slightly from 52.4 in 1946 to 49.7 last year. Stock companies alone paid losses of \$378,029,022 on auto business with a loss ratio of 48.6, compared to \$289,790,180 with a loss ratio of 52.8 the previous year.

Mutual auto and mutual multiple line companies paid losses of \$320,065,502 with a loss ratio of 50.0 in 1947 as compared to \$266,489,577 with a loss ratio of 55.4 in 1946. Stock A. & H. companies including A. & H. departments of life companies paid \$305,428,046 in losses, with a loss ratio of 46.9 last year compared to \$282,990,297 with a ratio of 51.3 in 1946. Mutual companies paid \$74,852,795 in A. & H. losses, with a ratio of 49.9 in 1947 compared to \$65,824,289 with a ratio of 49. in 1946.

Earned Ratio Is 59.1

The earned to incurred loss ratio for stock companies was 59.1 compared to 61.2 the previous year, and 55.9 in 1945. For exclusively auto stock companies this ratio was 55.4 in 1947, compared to 67.8 in 1946. Mutual companies (excepting exclusively A. & H.) showed a 61% incurred loss ratio compared to 65.2 the year before. Exclusively auto mutuals had a 62.1% ratio last year compared to 71.1% in 1946.

Among the many interesting financial and operating figures and tables provided in the new Argus Casualty-Surety Chart is a detailed analysis of casualty and surety premiums by lines, showing both premiums written and earned, with the incurred to earned loss ratio by lines for each stock company for a 10 year period, along with comprehensive financial figures for each company.

In addition to the large stock multiple

line section of the Argus Chart, there are several important special sections devoted to mutual multiple line companies, reciprocals, Lloyds, A. & H., hospitalization, and medical-surgical companies. In connection with the A. & H. section there is a 5 page analysis of premiums earned and losses incurred, with ratios, for each major class of business, giving the current years experience of each company as to accident, health, non-can, and total A. & H. including hospitalization. For group A. & H., premiums earned, losses incurred, total expenses, dividends and gain or loss from underwriting is shown.

In its 184 pages, this 49th annual edition of the Argus Casualty-Surety Chart contains a wealth of useful information, much of which is difficult to locate elsewhere. Single copies sell for \$1.50 each, 12 copies at 90c each, 100 copies at 54c each and less in larger quantities. Advance orders are now being shipped in sequence as ordered. A limited supply of additional copies is available. Orders should be addressed to The National Underwriter, Statistical Division at 420 East Fourth Street, Cincinnati 2, Ohio, or any National Underwriter office.

'Phone Ban in Indiana

The Indiana department has warned that agents who solicit business by telephone are violating a 1935 insurance law and may face court action. Commissioner Pearson says he has received numerous complaints recently, most of them from the northern part of the state and mainly in regard to companies offering hospitalization and medical plans. He referred to the practice of hiring women to call residential numbers in the telephone directory, obtaining information that is used as a guide for salesmen who may call later at the homes.

Uniform Accounting Program Moving into Final Stages

**N.A.I.C. Committee
to Hold Important
Open Session at N. Y.**

NEW YORK—A preliminary draft of proposed expense allocation methods for fire and casualty companies has been issued by the New York department as a part of the uniform accounting program. This proposal, as well as the preliminary draft of operating expense classifications, will be considered at a meeting May 17 of the uniform accounting committee of National Assn. of Insurance Commissioners, called by its chairman, Gibbs of Texas. The meeting will be held at the offices of the insurance department here.

The present proposal deals with rules for allocation of expenses to expense groups or functions, to lines of business, and for allocation to member companies of joint expenses of fleets. It supplements the draft of operating expense classifications, designed to classify expenses by nature, which was distributed early in March.

Meeting Open to All

The May 17 meeting will be open to all interested persons. The committee will consider any recommendations or criticisms of the proposals received from other insurance departments or from representatives of the insurance industry. If the proposals receive the approval of the committee, subject to action on suggestions submitted at its meeting, final drafts will be prepared for submission to the annual meeting of N.A.I.C. at Philadelphia June 7-10.

Because the uniform accounting program in New York is designed to implement section 189 of the New York law, a formal hearing will be called in accordance with the requirement of the statute. It is anticipated that this hearing will be held during the latter part of June, in which event the first uniform accounting regulation would be promulgated as of July 1, effective Jan. 1, 1949. Under the law, the regulation would be applicable to all companies authorized to transact in New York any of the lines of insurance subject to rate regulation. This includes all lines except life, annuities and A. & H.

The two parts of the uniform accounting proposal represent the culmination of over 2½ years of studies carried on by the New York department in consultation with the N.A.I.C. uniform accounting committee. Field investigations were conducted in the offices of insurance companies, embracing surveys of the accounting systems of 283 separate fire and casualty companies. In addition, questionnaires on expense distribution methods were completed by hundreds of companies.

In the newly-released allocation proposal, specific methods of allocation are prescribed and others prohibited for some purposes, but the instructions in general permit the use of such methods as are reasonable and produce reasonably accurate results. Companies are instructed to maintain adequate records of actual allocation methods employed, and specific forms for recording this information are recommended as a part of the expense allocation draft.

Record of Casualty-Surety Year by Argus Chart

Net deposit capital of foreign companies (U. S. branches) is included in unassigned surplus item, but not in capital item.

ALL COMPANIES

(Stock, Mutual, Reciprocal, Lloyds, Hospitalization Associations and Accident and Health departments of Life Companies)

	1947	1946
Assets	35,105,034,518	32,201,958,283
Surplus to policyholders	3,210,380,714	2,956,589,664
Net premiums written	3,479,207,067	2,682,299,980
Losses paid including adjusting expenses	1,729,022,612	1,405,040,203
Ratio of losses paid to net premiums written	49.7	52.4

STOCK COMPANIES

(American and Foreign—Direct Writing, Reinsurance, Multiple Line and Exclusively Automobile)

	1947	1946
Assets	6,145,071,664	5,365,124,116
Special surplus funds	293,675,146	232,351,152
Capital	231,150,666	218,901,424
Unassigned surplus	877,874,916	714,375,371
Surplus to policyholders	1,312,700,728	1,165,625,947
Net premiums written	1,814,002,436	1,427,854,323
Losses paid including adjusting expenses	836,340,809	709,647,013
Ratio of losses paid to net premiums written	46.1	49.7
Premiums earned	1,752,378,561	1,294,986,095
Losses incurred including adjusting expenses	1,034,993,518	792,333,066
Underwriting expenses incurred	692,031,768	427,607,402
Ratio of losses incurred to premiums earned	59.1	61.2
Ratio of und. exp. incurred to premiums earned	39.5	33.0
Net gain from und. and profit and loss items	22,811,130	-15,949,640
Net gain from investments	44,425,497	17,192,673
Net increase in surplus	134,825,539	-3,676,927

CLASSIFICATION OF TOTAL STOCK BUSINESS

(Stock Companies and A. & H. departments of Legal Reserve Life Companies)

	1947			1946		
Classification	Net Pmts. Written	Losses & Adj. Exp. Paid	%	Net Pmts. Written	Losses & Adj. Exp. Paid	%
Accident	82,574,401	28,158,640	34.1	77,026,591	23,930,318	31.1
†A. & H., Ind. Life and Hospitaliza- tion (not sep.)	276,756,621	98,545,623	35.6	229,197,601	93,930,957	41.0
Group A. & H.	249,791,968	160,413,095	64.2	212,720,602	147,352,409	69.3
Non-Can. A. & H. .	42,008,500	18,310,688	43.6	33,105,248	17,776,613	53.7
Total A. & H. . . .	651,126,490	305,428,046	46.9	552,050,042	282,990,297	51.3
Auto fire, theft, tor.	19,923,857	7,123,166	35.8	9,164,715	4,109,403	44.8
Auto collision	87,585,712	41,240,832	47.1	60,283,679	34,429,473	57.1
Auto liability	453,703,619	210,045,217	46.3	343,417,042	162,790,832	47.4
Auto prop. dam.	210,823,868	117,075,720	55.5	182,733,651	86,570,704	65.2
Auto (not sep.) . . .	6,584,938	2,544,087	38.6	3,402,570	1,889,768	55.5
Total Auto	778,621,992	378,029,022	48.6	549,001,657	289,790,180	52.8
Boiler-machinery . .	27,413,722	6,593,555	24.1	19,221,208	5,048,403	26.2
Burglary	71,488,274	31,071,308	43.5	66,015,042	27,002,526	40.9
Credit	5,542,060	588,213	10.6	3,964,284	299,417	7.6
Fidelity	41,024,518	12,657,615	30.9	42,643,759	9,481,825	22.2
Glass	19,224,328	10,625,260	55.3	16,244,151	7,072,449	43.5
Liab. (not auto)	171,469,992	55,048,036	32.1	136,056,191	41,790,676	30.7
Live stock	1,495,340	813,645	54.4	1,428,372	607,583	42.5
Prop. D. & coll. (not auto)	35,176,022	8,372,161	23.7	19,214,304	5,356,854	27.9
Sprinkler leakage	1,405,612	543,424	38.7	1,330,955	450,681	33.9
Surety	63,081,635	6,901,987	10.9	51,571,771	5,094,536	10.0
Workmen's comp.	408,979,731	215,443,680	52.7	318,366,691	192,693,555	60.5
†Miscellaneous	18,953,569	4,337,104	22.9	8,236,653	4,799,030	58.3
Grand Total ...	2,288,001,885	1,036,453,047	45.3	1,784,945,081	872,478,012	48.9

†Figure varies because of manner companies segregate items.

ACCIDENT & HEALTH STOCK COMPANIES

(Including Legal Reserve Life Companies with A. & H. Departments)

	1947	1946
Assets	27,479,293,030	25,501,698,310
Surplus to policyholders	1,462,333,260	1,410,041,551
Net premiums written (A. & H.)	471,389,520	357,090,758
Losses paid including adjusting expenses	215,520,172	162,830,999
Ratio of losses paid to net premiums written	45.7	46.6

EXCLUSIVELY AUTOMOBILE STOCK COMPANIES

	1947	1946
Assets	72,361,383	57,388,497
Special surplus funds	4,359,799	7,222,624
Capital	7,187,410	6,610,250
Unassigned surplus	16,049,970	12,367,765
Surplus to policyholders	27,597,179	21,700,639
Net premiums written	54,744,588	37,404,566
Losses paid including adjusting expenses	22,532,965	19,264,013
Ratio of losses paid to net premiums written	41.2	51.6
Premiums earned	44,765,653	30,745,429
Losses incurred including adjusting expenses	24,782,638	20,852,672
Underwriting expenses incurred	15,976,323	11,923,321
Ratio of losses incurred to premiums earned	55.4	67.8
Ratio of und. expenses incurred to premiums earned	35.7	38.8
Net gain from und. and profit and loss items	4,094,734	-179,923
Net gain from investments	1,367,962	935,588
Net increase in surplus	3,682,205	1,639,853

REINSURANCE COMPANIES

	1947	1946
Assets	187,381,322	144,722,332
Surplus to policyholders	57,858,159	61,353,706
Net premiums written	63,651,408	47,970,213
Losses paid including adjusting expenses	20,550,168	11,157,897
Ratio of losses paid to net premiums written	32.3	23.3

FOREIGN COMPANIES

	1947	1946
Assets	306,120,201	272,251,886
Surplus to policyholders	89,469,034	90,087,766
Net premiums written	163,930,036	129,280,410
Losses paid including adjusting expenses	79,694,482	65,945,066
Ratio of losses paid to net premiums written	48.6	51.0

MUTUAL COMPANIES

(Multiple Line and Exclusively Automobile)

	1947	1946
Assets	908,740,574	783,364,638
Surplus to Policyholders	225,217,998	202,274,079
Net premiums written	640,473,182	481,430,373

Losses paid including adjusting expenses	320,065,502	266,489,571
Ratio of losses paid to net premiums written	50.0	55.4
Premiums earned	607,895,928	462,881,401
Losses incurred including adjusting expenses	370,519,721	302,009,040
Underwriting expenses incurred	148,019,441	116,596,846
Ratio of losses incurred to premiums earned	61.0	65.1
Ratio of und. exp. incurred to premiums earned	24.3	26.2
Net gain from und. and profit and loss items	84,311,935	42,618,183
Net gain from investments	14,526,915	13,534,718
Net increase in surplus	22,943,919	2,538,242

EXCLUSIVELY AUTOMOBILE MUTUAL COMPANIES

	1947	1946
Assets	151,334,167	120,484,494
Surplus to policyholders	47,705,929	34,442,871
Net premiums written	136,649,324	106,660,652
Losses paid including adjust expenses	71,316,216	59,498,764
Ratio of losses paid to net premiums written	52.2	55.8
Premiums earned	125,685,567	94,880,537
Losses incurred including adjusting expenses	78,010,975	67,471,801
Underwriting expenses incurred	36,741,151	28,621,092
Ratio of losses incurred to premiums earned	62.1	71.1
Ratio of und. exp. incurred to premiums earned	29.2	30.2
Net gain from und. and profit and loss items	10,268,616	-2,540,287
Net gain from investments	3,082,035	2,907,819
Net increase in surplus	13,263,058	-2,015,689

ACCIDENT & HEALTH MUTUAL COMPANIES

(Excluding Fraternal Societies)

	1947	1946
Assets	143,460,935	129,240,646
Surplus to policyholders	55,806,411	53,745,122
Net premiums written	121,655,045	115,693,101
Losses paid including adjusting expenses	57,996,958	55,226,370
Ratio of losses paid to net premiums written	47.7	47.7

FRATERNAL SOCIETIES

(Accident & Health)

	1947	1946
*Assets	132,329,192	180,568,359
*Surplus to policyholders	23,368,666	25,790,148
*Net premiums written	16,232,707	10,443,724
Losses paid including adjusting expenses	9,451,041	5,937,970

*1947 excludes life department of one society included in 1946.

HOSPITALIZATION COMPANIES & ASSOCIATIONS

	1947	1946
Assets	139,150,806	115,236,585
Surplus in policyholders	74,339,329	57,728,392
Net premiums written	279,514,990	194,607,070
Losses paid including adjusting expenses	234,268,390	156,505,370
Ratio of losses paid to net premiums written	83.8	80.4

CLASSIFICATION OF TOTAL MUTUAL BUSINESS

(Multiple Line, Exclusively Automobile and Accident & Health)

	1947			
Classification	Net Pmts. Written	Losses & Adj. Exp. Paid	%	Net Pmts. Written
Auto Fire, Theft, etc.	36,213,765	15,560,723	43.0	24,972,867
Auto collision	82,297,528	46,776,003	56.8	53,315,742
Auto liability	153,122,592	71,479,585	46.7	122,812,958
Auto prop. dam... ..	71,727,901	42,046,960	58.6	50,234,071
Total auto.....	343,361,786	175,863,271	51.2	251,335,638
A. & H. (incl. sick ben. & burial) ..	150,107,973	74,852,795	49.9	134,211,557
Boiler & mach.	6,358,892	1,148,644	18.1	3,975,241
Burglary & theft.	4,895,951	1,850,306	37.8	4,566,991
Fidelity	1,706,856	564,784	33.1	1,656,790
Glass	2,163,535	1,261,280	58.3	1,880,289
Liab. (not auto) ..	32,658,087	9,466,884	29.3	27,385,805
Live stock	23,546	10,811	45.9	15,714
P. D. & coll. (not auto)	5,743,880	1,765,205	30.7	3,974,802
Surety	526,808	163,996	31.1	458,163
Workmen's Comp.	228,903,344	119,604,417	52.2	173,303,702
Miscellaneous	2,510,376	961,108	38.3	2,634,572
Grand Total	778,361,034	387,513,501	49.8	605,399,174

RECIPROCAL & LLOYDS

(Multiple Line & Exclusively Automobile)

	1947	1946
Assets	156,988,317	126,725,627
Surplus to policyholders	56,614,322	41,583,835

EXCLUSIVELY AUTOMOBILE RECIPROCAL & LLOYDS

	1947	1946
Assets	92,177,546	78,791,007
Surplus to policyholders	28,181,246	23,543,115
Net premiums written	83,677,125	70,267,074
Losses paid including adjusting expenses	38,859,969	39,335,308
Ratio of losses paid to net premiums written	46.4	55.9

CLASSIFICATION OF TOTAL RECIPROCAL AND LLOYDS BUSINESS

	1947			
Classification	Net Pmts. Written	Losses & Adj. Exp. Paid	%	Net Pmts. Written
Auto fire, theft, etc.	18,046,164	6,108,110	33.8	12,418,815
Auto collision	36,160,787	16,604,932	45.9	27,722,269
Auto liability	29,308,486	11,203,830	38.2	21,908,321
Auto prop. dam...	18,411,331	9,274,264	50.4	12,422,249
Total auto....	101,926,768	43,191,136	42.4	74,471,654
A. & H. inc. hosp.	597,035	171,824	28.8	730,964
Burglary	170,616	343,712	20.1	251,915
Fidelity & surety	1,005,977	540,442	53.7	1,102,612
Glass	81,407	14,237	17.5	8,608
Liab. (not auto)...	3,784,323	1,219,025	32.2	3,049,469
Live stock	329,219	77,700	23.6	285,018
P. D. & Coll. (not auto)	382,809	60,040	15.7	943,209
Workmen's comp.	20,172,357	9,162,357	45.4	14,450,407
Fire lines written	6,530,765	421,629	6.4	1,032,648
*Miscellaneous	937,911	177,718	18.9	1,022,151
Grand Total	135,939,187	55,379,821	40.8	97,348,655

266,489,577
55.4
462,881,466
302,009,000
116,596,846
65.3
25.3
42,019,153
13,534,718
2,538,242

1946
120,484,494
34,442,871
106,660,051
59,499,766
55.1
94,880,537
67,471,800
28,621,032
71.1
30.2
-2,540,287
-2,907,813
-2,015,690

1946
180,568,339
25,790,140
10,443,734
5,937,979

1946
115,236,535
57,728,892
194,607,070
156,505,370
86.1

Losses & adj. Exp. Paid	%
1,711,307	46.3
1,010,174	76.3
2,672,263	42.3
2,781,374	66.3
38,175,118	55.8
5,824,289	49.1
835,009	21.0
1,599,728	35.0
373,734	22.8
883,859	47.0
9,110,601	33.3
4,939	31.4
1,160,472	20.2
12,388	27.0
6,066,426	63.4
536,509	20.4
6,583,072	53.3

1946
126,725,679
41,383,825

Losses & adj. Exp. Paid	%
5,316,202	42.3
7,613,592	63.5
9,345,737	42.7
7,440,358	59.8
9,675,889	52.3
46,227	6.3
108,029	49.8
278,306	25.2
4,076	47.4
894,722	29.3
30,700	10.8
248,726	26.4
7,372,989	51.0
271,893	26.3
542,192	53.0
9,473,749	50.1



You disregard the curves in the road and zoom around that car ahead...just plain hoping nothing is coming the other way. You know it's foolhardy. You know the odds are against you. But you take a chance. Sometimes you get away with it, but...




Taking chances like this is one of the fastest ways to the graveyard. Every minute of every day, someone is injured or killed in a motor vehicle traffic accident. So be careful. Not only on the other fellow's account, but because you like life!



Darkness doubles traffic troubles. 3 out of 5 fatal traffic accidents happen at night. Be especially careful while driving during the early hours of darkness, when the light is most deceptive.



Watch out for children. Traffic accidents kill more school children than any disease. Be extra cautious when driving near schools, or wherever youngsters may be playing in the street.



An official public service message prepared by The Advertising Council in cooperation with the National Safety Council.



Be Careful-
the life you save
may be your own!

THIS ADVERTISEMENT IS PUBLISHED IN THE PUBLIC INTEREST BY

AMERICAN
INSURANCE

AMERICAN AUTOMOBILE
INSURANCE COMPANY
SAINT LOUIS



ASSOCIATED
COMPANIES

ASSOCIATED INDEMNITY
CORPORATION
SAN FRANCISCO

500 Agents Gather Sales Tips at Kansas City Congress

More than 500 local agents from Missouri, Kansas, Iowa and Nebraska gathered in Kansas City for the annual casualty and fidelity sales congress presented by the Casualty & Surety Underwriters Assn. of Kansas City.

New automobile designs have caused a reversal of the optimism of six months ago that the turning point of losses on automobile physical damage coverages had been reached. E. H. Morrison, vice-president Western Casualty, remarked in his talk. If the automobile industry will recognize that the cost of insurance on a car is just as much a cost of operation as the gas that goes in the tank, there may be some hope, he added. In the meantime, when companies get to paying repair bills on the 1948 models in real volume, there is a good probability of higher physical damage and property damage liability rates.

Bodily injury experience has not reached the end of its inflationary trend, Mr. Morrison said. B. I. is under a dark cloud in spite of a currently more favorable accident trend. Medical and hos-

pital costs have risen and in a few states the wrongful death limits have been raised, giving added publicity to the dollar value of personal mishap. Increases in B. I. and P. D. liability are being effected again in many states.

Mr. Morrison emphasized the agent's responsibilities in performing local underwriting. He remarked that there is plenty of automobile business written today that should not be written at all, and he deplored inadequate driver qualification laws, saying they are a big factor in the loss picture.

Lee W. Myers, Kansas City manager of Retail Credit Co., followed Mr. Morrison's remarks with an outline of the activities of inspection company reports on auto business. He described the information inspectors gather and pointed out that it is necessary because the insurers are risking large amounts on drivers. The problem is analogous to that of bank loans, he said, in that for the same amount involved, a bank will make the same sort of check.

Insured are usually pleased to know

that they are covered in a company which screens risks carefully, he remarked. It is usually the man who does not know of the practice of insurance inspection reports who complains of inquiries.

Irving R. Zerzan, president of Omaha Insurance Agency, gave a detailed report on the successful buyers conference which his agency conducted last September. Mr. Zerzan said the meeting was educational in nature and no company or agency material was distributed. More than 250 buyers representing \$3 million in premium attended. The conference stimulated business for the Omaha agency as well as for other agents in the city, and Mr. Zerzan remarked that a substantial number of new sales have been made which can be traced directly to the meeting. He recommended that similar programs can be presented most successfully by individual prominent agencies and by groups of agents in different communities.

Comprehensive Cover

James F. Keating, assistant secretary Hartford Accident, pointed out in his address that comprehensive policies do not mean "all risk" coverage. There are exclusions which must be pointed out to the assured, and this is a job for the agent.

Mr. Keating said that the agent must acquaint himself with the exposures before he attempts to sell and then analyze the policy with his prospect to make certain that the exclusions do not refer to any hazard that should be covered. The agent should sell through intelligent discussion of exposures and requirements and convince his assured that he is interested in protection as well as closing a sale.

Mr. Keating illustrated his points with several examples of how an assured loses recovery because of misunderstanding about the contract. He pointed out that the storekeeper's liability policy, for example, must be sold with consideration to exposures. The premium should be checked for comparable protection under comprehensive bodily injury and property damage liability. Sometimes it may be possible to quote a lower premium for the latter contract if the store is engaged in the sale of gas or appliances operated by gas. Those hazards are excluded under the storekeeper's policy under the products liability section.

Luecke Gives Sales Tips

E. H. Luecke of the agency department of Fidelity & Casualty in pointing out rules for better selling which he had gathered counseled agents to fit into the pattern of their communities. Small things, he said, often make a difference in the decision to purchase insurance. For instance, the word "agree" as contrasted with the word "admit." If the prospect "admits" something is right and logical, he may "admit" the agent is right, but that is the end of the selling rope, he said. If on the other hand he "agrees," the way is paved to further agreement.

Mr. Luecke urged agents to channelize their interviews, and quoted a study which showed that top salesmen spend 10 minutes a day on general topics while average salesmen spend two hours and 26 minutes a day on general topics.

In his talk on construction bonds, Charles G. Roth, attorney of National Surety, said the agency system has sponsored the growth and expansion of suretyship, but that it must also engage actively in the sale of corporate suretyship on private construction contracts, and particularly in the industrial and utility construction fields.

Don Lawrence, Kansas City local agent, is president of the association. Paul A. Dow, manager of Hartford Accident, was program chairman and moderator.

Correction of Group Showing in Auto Number

Due to an error, the 1947 automobile premiums of the Hartford Fire-Hartford Accident group appeared in the Automobile & Aviation Insurance Number of THE NATIONAL UNDERWRITER dated April 23 as \$10 million higher than they should have been. The correct figure for automobile premiums written of this group in 1947 was \$61,273,869. Due to this error the Hartford group inadvertently was placed in first position in respect of automobile premiums by company groups. Actually, the Travelers group continues to maintain a firm grip on first place with premiums of \$70,167,927. The Hartford group continues to be well entrenched in second position.

See Added Cal. Rate Hearing

SAN FRANCISCO—While no date has as yet been set, there is to be another hearing under the new California rating law in the near future on the matter of rate increases announced by National Bureau of Casualty Underwriters effective in March. At that time Commissioner Downey notified the bureau that he was not satisfied with the manner in which this was done, particularly as to effective dates, contending that the plan reflected possibility of "unfair discrimination."

Great Central of Peoria has been admitted to Ohio.

Crime does ~~not~~ pay!

Start profiting NOW with Continental's

NEW 3-C POLICY



NOW . . . in one compact policy . . . for one premium . . . you can sell all the burglary, robbery, fraud, forgery and dishonesty protection any business man needs or wants.

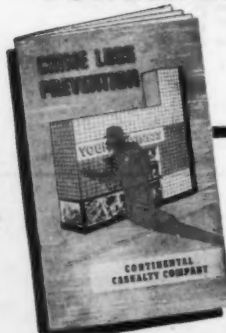
NOW you can go into the most neglected, most wide-open market in the insurance field and offer the broadest, most economical, most flexible crime loss coverage ever written!

NOW you can have the powerful backing of Continental's intensive advertising and merchandising campaign aimed

at large and small business owners from coast to coast!

NOW, at no expense, you can give every prospect a FREE copy of the valuable, fact-filled, 28-page booklet just off the press—"Crime Loss Prevention"—nationally advertised and locally distributed by agents in the interest of increasing their income and building their business.

CONTINENTAL CASUALTY COMPANY CHICAGO



Mail this Today
and make Crime
Pay!

Continental Casualty Co., Dept. 3-C
310 South Michigan Ave., Chicago 4, Illinois

Please send me full information on Continental's 3-C Policy for comprehensive crime coverage.

NAME.....

AGENCY NAME.....

STREET ADDRESS.....

CITY.....ZONE.....STATE.....

ACCIDENT AND HEALTH

Bureau Holds Seminar on Policy Drafting Problems

Bureau of Accident & Health Underwriters conducted a two-day educational seminar at New York to discuss policy drafting problems, both from the standpoint of recent regulatory and statutory requirements and from the standpoint of general improvement, with 85 representatives of 39 member companies in attendance.

J. F. Follmann, Jr., manager of the bureau, discussed the digest of laws and regulations recently distributed and led a discussion of recent statutory requirements in various states, which affect policy filing and drafting.

Paul H. Rogers, Aetna Life, led a discussion of matters under consideration by the accident and health committee of N.A.I.C., including developments at recent meetings of the standard provisions and minimum standards subcommittees. F. Leroy Templeman, Maryland Casualty, discussed filing procedure for forms, pointing out the methods used by various companies and the value found in making test filings.

W. E. Kipp, Indemnity of North America, chairman of the bureau underwriting committee, led a discussion on policy revision from the standpoints of state requirements and general improvement in policy provisions. Mr. Rogers discussed optional life indemnity and elective indemnity provisions, and Mr. Templeman the total disability clause. Neil J. Brown, Hartford Accident, discussed the filing back of the policy and use of schedule policies. Merle J. Thompson, Standard Accident, discussed the use of various types of riders and Ray L. Hills, Great American Indemnity, reported on a survey of additional provisions.

Harry V. Williams, Hartford Accident & Indemnity, chairman of statistical committee, explained the loss experience filing requirements of certain states and the zone 4 proposal as adopted by the commissioners. His discussion included the recent action of the blanks committee.

Everett S. Fallow, Travelers, explained the bureau statistical collection plan and Theodore O. Schwarz, Standard Accident, commented on computation of rates from the bureau's collected experience.

The seminar concluded with a discussion of the new manual by John F. Lydon, Ocean Accident, chairman of the manual committee. The seminar was opened with a brief comment by Logan Bidle, Aetna Life, chairman governing committee. Ray L. Hills was general chairman.

Committee on Maximum Benefits Outlines Its Work

The industry committee headed by F. J. Marryott, Liberty Mutual, which was named to take up the problem of minimum benefits in accident and health policies, following a hearing held at Chicago by an N.A.I.C. subcommittee considering that topic, held its first meeting at New York. It determined that its immediate projects would be limited to the field of individual and family accident and health policies.

It was decided to appoint four subcommittees with which insurance department representatives would be asked to work. A small drafting committee will prepare advisory basic provisions dealing with policy coverage, exclusions and conditions. A forms committee, consisting of the drafting committee and additional members representing all varieties of accident health insurers as well as experts from insurance departments, will be named to review the work of the drafting committee.

A specific committee on minimum benefits will consider the amounts of

payments and time during which payments are made, and make recommendations. An implementation committee will consider the best means of making effective the recommendations of the other three subcommittees, having in mind problems of constitutionality and anti-trust statutes.

L. W. Bixby Retires

Louis W. Bixby, since 1931 district

manager of the accident and health department of Massachusetts Bonding at Saginaw, Mich., has retired and is succeeded by Frost-Blanchet & Co., a firm made up of Joseph D. Frost and Harold J. Blanchet. Mr. Bixby will continue to represent the company.

Son Succeeds M. L. Tallman

Ted Tallman has succeeded his father, Mark L. Tallman, who died last week, as general agent of the intermediate A. & H. division of Continental Casualty at Chicago. The agency is the third largest in that division.

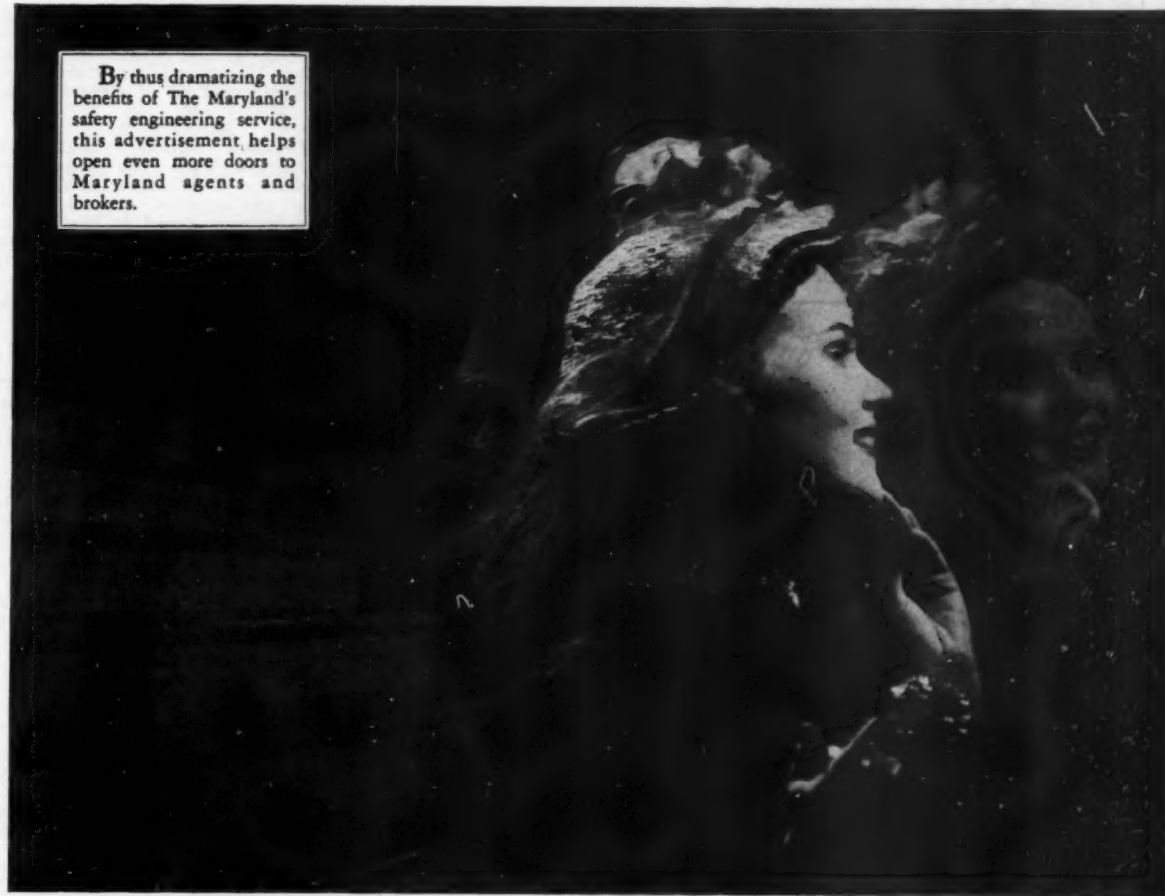
CHANGES

Am. Auto Names Houston, Kansas City Claims Chiefs

Judson B. Hadley has been advanced to claims manager at Kansas City by American-Associated. He succeeds C. William Garver, who has resigned to enter private law practice. Mr. Hadley received his law degree from Kansas City School of Law and began his insurance career in the claim department

"Unforeseen events . . . need not change and shape the course of man's affairs"

By thus dramatizing the benefits of The Maryland's safety engineering service, this advertisement helps open even more doors to Maryland agents and brokers.



HER POWDER CAN BE DYNAMITE... TO YOU!

A QUICK DAB at a pretty face—in a mirror placed too invitingly along stairsteps—can lead, and has led, to a bad fall. To serious injuries. And to a suit for damages.

But there are men whose job it is to protect owners of business places—and the public—against such unsuspected hazards. They are The Maryland safety engineers. They are trained to hunt out the most obscure causes of accidents...in stores, theatres and other business places protected by Maryland public liability insurance.

Working behind the scenes, these engineers protect the public against disabling or even fatal accidents on your premises. In that way, they protect the good name of *your* business... and also enable you to hold your insurance premiums to a minimum.

The man to see for this Maryland service is your Maryland agent, who is expressly selected for his knowledge and experience.

Remember: Because your Maryland agent knows his business, it's good business for you to know him.



MARYLAND CASUALTY COMPANY

Baltimore 3, Maryland

MARYLAND ADVERTISEMENTS APPEAR REGULARLY IN LEADING NATIONAL MAGAZINES

of Central Surety. He joined American Automobile in 1941. During the war he was a navy lieutenant.

At Houston Fred W. Perabo has been appointed claims manager, succeeding Edward Becker. Mr. Perabo is a graduate of Washington University. After practicing law five years, he entered insurance claim work with Travelers. After serving as a navy lieutenant, in 1946 he joined American-Associated at Dallas.

Arizona Carrier Names McKenney Co., Los Angeles

Republic Indemnity, of Tucson, Ariz., has named the Charles McKenney Co., Los Angeles, a newly formed corporation, as exclusive compensation underwriting managers for California.

Charles E. McKenney, since 1936 vice-president of California Compensation, is president of the company; Zell Rice, formerly production manager of the same company and also with Industrial Indemnity, vice president, and L. C. Smith, formerly with California Compensation, secretary.

Capen to N. Y. Office

Richard G. Capen of the home office engineering and inspection department

of Aetna Casualty has been appointed assistant supervising engineer at the New York office. He was connected with the Pratt & Whitney Aircraft Co. before joining Aetna in 1936.

Procopio Joins St. Louis Agency

S. F. Procopio, who has been chief underwriter of the New England division of Employers group at Boston, has joined the W. H. Markham & Co. agency, St. Louis, as manager of its casualty department.

He graduated from Harvard and joined Employers in New York City. He served in the navy during the war and became chief of the insurance division with the rank of lieutenant commander, returning to Employers after the war.

Pipes Given Higher Post

Claude F. Pipes has been named assistant manager of the safety engineering division of Texas Employers and Employers Casualty. A graduate of Texas A. & M. College, he has been a safety engineer with the organization since 1940, serving in south Texas since

his return from 3½ years of military service.

Alexander to Seattle

H. Murray Alexander has been appointed special agent for the indemnity and automobile departments of Fireman's Fund Indemnity in western Washington. He will be associated with J. R. MacKay with headquarters at Seattle.

Mr. Alexander specialized in insurance at the commerce school of University of Pennsylvania followed by practical experience at the home office of Fireman's Fund Indemnity.

O'Donnell Joins Anchor

Cecil J. O'Donnell has been appointed claims manager in the Pacific Coast office at Los Angeles of Anchor Casualty. He formerly was claims manager at Minneapolis of General Accident.

J. Delafield DuBois, secretary of J. P. Morgan & Co., has been elected to a director of Seaboard Surety. Mr. DuBois was assistant counsel to the Federal Reserve Board in Washington from 1933 to 1936. He was a lieutenant commander in the navy during the war.

PERSONALS

Paul Clement, secretary of Minnesota Commercial Men's, has been reelected president of the Izaak Walton League of Minnesota.

Carl B. Birkenmeyer, assistant vice-president in charge of the Pacific Northwest for American-Associated, was host at a reception at Seattle in honor of President O. L. Schleyer, who was visiting the northwest.

Neil H. Reynolds, claims manager at Chicago for Century Indemnity, has returned from a West Indies cruise.

DEATHS

Edward G. Trimble, who was organizer of Employers Reinsurance and who served as its president until he retired in 1939, died at his home at Ocean Springs, Miss., and funeral services were held at Biloxi.

Mr. Trimble in 1914 organized Employers Indemnity which subsequently became Employers Reinsurance, after the agency plant was disposed of to Central Surety. He attended Baylor university and got a law degree from Cumberland university. He practiced law for several years in Texas.

Edward G. Trimble, Jr., one of his sons, is assistant secretary of Employers Reinsurance, with headquarters at New York. There is another son, John Duff Trimble.

Plan New L. A. Company

Cannon & Callister, Los Angeles attorneys, have asked Commissioner Downey to approve the name, "Associated Motorists," for a proposed new carrier for which they are counsel.

Employers Re Premiums Up

First quarter premiums written by Employers Reinsurance totaled \$6,404,349, compared with \$4,109,507 a year ago. Net investment income on a convention statutory basis, after income taxes, totaled \$150,143, compared with \$136,287 in the 1947 period.

Assets rose \$2,235,170 to \$37,857,974. Voluntary special reserve (unassigned surplus) rose \$99,766 to \$2,022,557.

To Write Non-Can in Canada

Union Mutual Life has appointed Blaker, Hearn & Co., Montreal, chief agents for Canada to write non-cancellable accident and health insurance.

Auto Rates Upped in Pa. and Ore., Reduced in S. C.

National Bureau of Casualty Underwriters announce a revision of automobile liability insurance rates for Colorado, Oregon, Pennsylvania and South Carolina. This is in conformity with the countrywide program to bring about a realignment of rates by states and by territories in accordance with the most recent available experience.

The average percentage changes are:

	Private P.L.	Pass. P.L.	Commercial B.I.	P.D.	P.D.
Colorado	0.0*	0.0*	0.0	0.0	0.0
Oregon	+15.0	+29.9	0.0	+24.1	0.0
Pennsylvania	+9.8	+6.8	0.0	+8.1	0.0
So. Carolina	-6.1	-14.2	0.0	0.0	0.0

*Change in private passenger rating plan only.

General of Seattle to Start Agent Course July 12

General of Seattle will sponsor a six weeks course on general fire, casualty and surety lines at the home office July 12 to Aug. 21 for agents of the companies.

The six weeks course is designed to train relatively inexperienced agents. It will cover fire, inland marine, auto, casualty, fidelity and surety bonds, and also will deal with policy forms and coverages and provide a practical knowledge of manuals and rules and rates. Students will be housed at the University of Washington.

Award Two L. A. Contracts

LOS ANGELES—When Los Angeles board of public works opened bids for construction of a primary settling system, Guy F. Atkinson Co., Los Angeles, was low bidder at \$3,613,850. Fidelity & Deposit was on the bid bond.

James F. Barnes Construction Co., Santa Monica, and Warren-Southwest Construction Co., Los Angeles, have been awarded the contract for construction of a concrete wharf and approaches in Los Angeles harbor. The combined price was \$1,167,766. Seaboard Surety, through Ray Rosendahl Co., general agents, will write the Barnes bond and U. S. F. & G., through its Boston office, will execute the Warren bond.

McQueen Agency Honored

A group of western department officials of Hartford Accident visited the McQueen agency, Racine, Wis., to observe the 25th anniversary of representation of Hartford as guests of Thomas C. McQueen and other agency officers. The Chicago group included George H. Moloney, vice-president; J. W. Reitze and W. H. Rutherford, associate managers; Robert D. Thompson, general attorney; William Gronton, assistant manager; Charles N. Dubach, superintendent of production and C. E. Black, office manager.

Insurance Canadian Issue

Insurance will be a major issue in the next federal election in Canada, according to the leader of the Progressive Conservative party, which will attempt to oust the Liberal party from office. One of the Progressive Conservative planks offers Canadians a contributory plan for accident, sickness and unemployment insurance plus protection for those handicapped by chronic diseases.

Midwest Managers Meet

Managers from nine midwest states attended a meeting at the home office of Mutual Benefit Health & Accident and United Benefit Life to mark the 30th anniversary of the parent company and the 69th birthday of Dr. C. C. Criss, president.

Nickel Gets Up to 5 Years

W. A. Nickel, central figure in the \$784,000 embezzlement from the Mergenthaler Linotype Co., Brooklyn, was sentenced to serve from 2½ to five years in prison.



High Over The Hurdle

Hawkeye-Security Agents can meet and pass the stiffest sales hurdles because they have two outstanding, cooperative companies backing them up. All departments are geared to serve Agents and their clients. Yes, service is the byword at Hawkeye-Security . . . service to help Agents render greater service to their clients and communities. In state after state, leading Agents are swinging to Hawkeye-Security.

HAWKEYE CASUALTY CO.
SECURITY FIRE INS. CO.

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Loss Prevention Program for State Banking Groups

A loss prevention program to be used by the state banking associations for the benefit of members was outlined at the meeting of state banking associations secretaries in French Lick Springs, Ind., by Walter L. Flynn, manager of the research department of National Surety.



Walter L. Flynn

National Surety has pioneered in loss prevention work with financial institutions for several years, and Mr. Flynn heads this effort. He has set up loss prevention programs for many individual financial institutions, and the plan outlined at French Lick grew out of the experience of the company in placing individual prevention programs in effect.

Bank Losses Increasing

Bank losses are increasing, Mr. Flynn pointed out. There were more forgeries, bank holdups, bank burglaries and embezzlements in 1947 than in 1946. Though there has been an increase in frequency of losses, the situation is not yet alarming, he said, "but why wait until it reaches that point?"

A loss prevention program reflects itself in savings under merit rating or experience rating of the insurance protection, so that banks can save as much as 40% of their premium if losses are prevented. In addition a bank that keeps down losses gives evidence of good management, which adds to the security of the bank. At the same time the absence of losses strengthens the morale of the bank personnel.

The loss prevention program, which National Surety has found effective through experience, consists of five steps. If the state banking association does not have a protective committee, it should appoint one and place the responsibility on that committee to make certain that the program is carried out. A bank officer should be asked to see that his bank follows through on recommendations that come from the state association office or committee.

Each state protective committee should have a bank loss file where losses in the state will be classified by nature of the act causing the loss, forgery, burglary, holdup, embezzlement and so on. Member banks with losses are asked to report the facts to the state protective committee so that it can keep its finger on the pulse of bank losses in the state. Thus the committee would know whether a certain forger is operating repeatedly and successfully in a certain group of cities in the state and can send out a special warning notice to banks in that vicinity and notify law enforcement authorities. This also would be true if there were a series of holdup or burglary losses. On inside embezzlement losses, the committee can analyze the methods used by the defaulter so that the banks might be told what safeguards to use to prevent similar losses.

Examination of Protective Equipment

There should be a regular, periodic examination by member banks of the protective equipment they use. Each bank also should review its accounting control at least twice a year to make certain it has no weak spots that might prove a temptation to an employee under financial stress. These examinations should be called to the attention of the member banks by the protective committee at an appropriate time. Unless it is called to their attention again and again, such examinations will be overlooked and forgotten. Consequently it is suggested that several times a year bulletins be sent by the association to

member banks to the effect that, "This is the month when your bank should make an inspection of your protective equipment. Have you done so?"

Whenever Mr. Flynn visits a city outside of New York invariably he calls on the chief of police or the district attorney. He wants to learn the trend of crime against financial institutions.

These visits have been very helpful in the prevention work, and he has learned that law enforcement authorities throughout the country are anxious and willing to help out in any way they can in preventing crimes against banks.

Consequently, in the prevention program, the officer who is appointed at each bank is urged to pay a visit to the chief of police and the district attorney as well as the FBI office if there is one in his city to tell them the bank is engaging in a definite program with other banks to prevent losses. The bank officer should ask the authorities to keep him informed of known forgers, burglars and others operating in and around his

territory so that banks can be forewarned of such activities. An exchange of information is very helpful to member banks. The protective committee itself should know as many law enforcement officials as possible and keep informed of crimes and losses against banks in that state. It is suggested that each association offer a reward for the apprehension and conviction of robbers and burglars who attack any bank in its state.

In preparing the program, Mr. Flynn pointed out that the company has had the benefit of the views and opinions of experts in the banking field as well as in the law enforcement field.

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Hohaus Reviews Progress in Health Insurance Plans

WASHINGTON—The great progress which has already been made through individual enterprise and employer-employee cooperation in developing health insurance plans to meet a wide variety of health and medical care needs was stressed by R. A. Hohaus, actuary of Metropolitan Life, in a talk before the National Health Assembly.

Pointing out that plans for the prepayment of expenses of medical care are a relatively recent development, Mr. Hohaus said about 50 million Americans now have some form of coverage of this kind under plans offered by insurance companies, non-profit organizations and other groups. Much progress has also been made in the direction of enlarging the scope and improving the effectiveness of coverage under such plans.

Confining himself particularly to group insurance, Mr. Hohaus traced its evolution and expansion and stressed the important part played by the employer in the successful development of the many forms of group insurance.

Looking toward the future, Mr. Hohaus said that it appears to many that the most encouraging aspect of group insurance in meeting health and medical care cost is its flexibility and the potentialities it provides for healthy experimentation. Health and medical care problems are greatly affected by local conditions and customs. Because of its flexibility, group insurance has been able to meet satisfactorily a large variety of situations and needs in an essentially new field.

M. M. Thweatt Detroit Manager of Hartford A. & L.

Melvin M. Thweatt has been appointed Detroit manager of Hartford Accident. He succeeds Morris W. Schryver who is now in charge of the claim department at Olean, N. Y.

Mr. Thweatt has been superintendent of the bond department at Cincinnati. He attended Birmingham Southern College and entered the local agency field in 1927 at Montgomery, Ala. Later he served as special agent for U. S. F. & G. and F. & D. He joined Hartford Accident in 1937 as special agent in North Carolina. He went to Cincinnati in 1940. He served in General Patton's Third Army in Germany and Austria.

Urges Revamping of A. & H. to Meet Public Obligations

A challenge to the accident and health industry to meet obligations to the public at all financial levels was offered by Louis C. Callow, general agent for General American Life at Memphis, in his address at the sales congress of Accident & Health Underwriters Assn. of St. Louis. The congress drew a crowd of better than 200.

Mr. Callow made a number of suggestions to overcome the problem of an apathetic clientele and a production force that is unable to dramatize their product because "we're kept busy justifying the restrictions."

He recommended that field men put their own house in order and organize on a sound basis without company subsidy. A professional concept must be adopted in the field to bring dignity and public confidence.

Discard Old Theories

Mr. Callow said that companies must discard theories that have supported the old bureau type of occupational classifications, the "wordy standard provisions, the old insuring clauses—prejudices that can be justified only in the light of conditions 30 and 40 years ago." The group casualty lines have developed plenty of statistics to serve as the proper force for complete revaluation, Mr. Callow declared.

Actuaries in the life companies must work out a long term solution of the disability hazard, he recommended, with some three to six months' elimination on the front end and with coverage to age 60, and perhaps with termination of claim benefits at age 65. Permanent disability should not be required to replace old age income benefits, he said.

Give Assurance of Coverage

A reasonably secure system of temporary disability benefits on the first day, to run at least two years was recommended. Mr. Callow urged rate structures and claims concepts which would give policyholders assurance that they would not lose coverage at the first or second hint of serious trouble.

He suggested that field men and underwriters recognize that selection must be complete and final at the date of issue. He noted that life companies ac-

cepted that theory 50 years ago and now the A. & H. companies must select as to moral hazard as well as health hazard at the outset, knowing that it takes many years for careful selection to wear off.

Mr. Callow declared that steps should be taken to define clearly the various overlapping fields of group casualty, franchise, and individual permanent disability. Agents should accept and respect the limits so established.

Mike O'Sullivan Speaks

Mike O'Sullivan, president of American Farmers of Phoenix, warned that government intervention is inevitable if companies neglect the lower income families. Mr. O'Sullivan was bedecked in western attire, including Indian rings and other trimmings, but was minus his six-shooters. He explained that he did not bring them to St. Louis because the Indian chief at Phoenix told him he would be in friendly territory there.

Leon Reichenberg, Metropolitan Life; Irving Hicks, Occidental Life; Fred F. Sale, General American Life, and Leigh Turner, W. H. Markham & Co., demonstrated their selling techniques on Frank R. Philpott, division manager of Federal Life of Chicago in a production forum. Mr. Philpott acted as the prospect, and his objections were answered by the quartette of salesmen.

Pearce H. Young, General American Life, president of the association, presided. Speaker at the dinner session was Dan Blount, director of public relations for International Shoe Co., who gave an inspirational sales talk.

Jordan to Address Executives

Dr. Virgil Jordan, president of National Industrial Conference Board, will speak at a luncheon following the annual business meeting of Assn. of Casualty & Surety Companies May 11 at the Waldorf-Astoria, New York.

SELLING COLLECTING

The two chief tasks of the agent—
Selling and Collecting are made
easier and produce greater profit
if combined as one effort—the
Selecting of Business.

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SEABOARD
FIRE MARINE AND THE

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90 JOHN STREET ---- NEW YORK CITY

First Quarter Traffic Deaths Down 7%

A 7% reduction in traffic deaths for the first quarter is reported by National Safety Council. Traffic deaths in the period were 6,480, a decrease of 510. The economic loss is estimated at \$320 million.

March deaths totaled 2,250, a decrease of 5%.

Two Address B. & L. Men

William Harvey, superintendent of the bank fidelity division of U. S. F. & G., and M. E. Dudley, manager in Columbus, addressed a meeting of building and loan officials under the auspices of Franklin County Savings & Loan League. They discussed the responsibility of an officer of a building and loan association, adequate protection of an association, and explained the U. S. F. & G. bank survey service.

Hall Moves Chicago Branch

Central Surety's Chicago branch office moved this week to A-1859 Insurance Exchange, where the quarters are more compact. R. E. Hall is manager. The office hereafter will specialize in fidelity and surety, but a claim service for casualty business in force is being continued. The telephone number is unchanged.



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Speed Up the Acceptance of Your Bond Risks by Keeping Anchor's "Field Counsellor" Cabinet at Your Elbow.

A simplified system for the preparation of Bond submissions—organizes the entire business for the Agent.

Application supply folders with indexed, manual-colored tabs carrying complete instructions for submission of risks; in addition, copy-righted factual information of an educational nature, in condensed form.

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ANCHOR CASUALTY CO.
ST. PAUL, MINN.

Finds for Insurer on Employee Issue

State Farm Mutual Automobile won a decision from the fourth U. S. circuit court of appeals, being sustained in its position that an injured man was an employee of the owner of the truck, and hence the accident fell within the exclusion clause of the truck liability policy. The case was State Farm Mutual vs. Braxton, et al. The federal court for the eastern district of Virginia had held against State Farm.

Herman Braxton was the injured man. He had been hired in 1943 by J. E. Flippo to help in sawing and delivering wood for \$3 per day.

The accident occurred the first day of his employment. At 5 p.m. Braxton and Flippo were on the empty truck, and Flippo was transporting Braxton to a point near Flippo's home. Motor trouble developed and Flippo instructed Braxton to drive the truck. Flippo stood on the running board pouring gasoline from a bottle into the carburetor. The truck caught fire and Flippo ordered Braxton to pull over to the side and stop. Flippo tried to extinguish the fire with a crocus sack, but the sack caught fire and Flippo threw it against Braxton, who was standing on the ground nearby and Braxton suffered burns and injuries that necessitated the amputation of a leg.

The court said that the primary purpose of the exclusion clause in a public liability policy is to draw a sharp line between employees who are excluded and members of the general public. This policy excluded any obligation for which the insured or any company as his insurer may be held liable under any workmen's compensation law. Flippo did not have the required number of employees to come under the Virginia compensation act. Had Flippo been within the ambit of this act, the court said the accident would have been held to have been within the purview of and compensable under the compensation act.

One of the tests of employment is the right of control. Here the court said such a right of control existed. When Flippo instructed Braxton to drive the truck, pull over to the side and stop, hand over the crocus bag and get out of the truck, the obedience of Braxton was at every point prompt and complete. Surely Braxton then was engaged in "the operation, maintenance or repair" of the truck. If Braxton was then an employee within the exclusion clause of the policy, it would be utterly unreasonable to hold that this relationship ceased, and he became a mere member of the general public the very instant he, on the instruction of Flippo, got out of the truck and stood nearby on the ground.

Casualty Actuarial Society Meeting Plans Announced

Casualty Actuarial Society will hold its spring meeting at Carmel Country Club, Carmel, N. Y. An informal dinner has been scheduled for the evening of May 13.

The business session begins the morning of May 14. No formal papers will be presented but there will be an informal discussion of state sponsored cash sickness plans, with an opening talk by Leslie P. Henry, vice-president American Mutual Liability. The second subject is a discussion on the question: "Should there be standardized experience rating procedures for casualty insurance?"

Central Surety Promotions

J. C. Platt, formerly secretary, has been elected vice-president and controller of Central Surety. H. J. Hudson, assistant secretary, becomes secretary and assistant treasurer. R. A. Hubbard, assistant secretary, was elected vice-president; C. E. Havekotte, superintendent contract bond department,

was elected assistant secretary. James F. Tierney was appointed superintendent of the agency department.

Gurevich Heads N. Y. Mutual

A. J. Gurevich has been elected president of Security Taxpayers Mutual. He was a broker until 1931, when he helped organize the company.

In observance of Mother's Day, Insurance Women of Racine, Wis., held a mother and daughter dinner meeting. Miss Kaye Bonini was chairman.

Mail Order Insurers Fined \$8,000

HAMMOND, IND.—Guarantee Reserve Life and Guarantee Reserve Ins. Co. were convicted of intent to defraud policyholders and fined \$4,000 each in federal district court here. The companies were found guilty on eight counts while 18 others were dismissed. The fines were on the basis of \$1,000 per conviction. The companies entered a plea

of nolle contendere and waived presentation of evidence.

The government charged they had devised a scheme to defraud policyholders by taking premium payments through false pretenses and trickery.

The companies are scheduled to go on trial again May 10 on charges of false advertising. The indictment states that this was accomplished by ambiguous phrasing and misleading and false statements.

Sterling of Chicago has been licensed in the District of Columbia to write life and disability insurance.

School of Insurance United States Fidelity and Guaranty Company DIPLOMA

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Fisher-Brown Agency graduates
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*Joseph L. Burgess	April 1936
*J. H. D'Alemberte, Jr.	July, 1936
Harry C. Sarra	July, 1936
David Johnson	October, 1936
Frances Scherffius	April, 1937
Juliette R. Kramer	April, 1937
Edward G. Bonifay, Jr.	July, 1939
Herbert Pfeiffer	October, 1939
Sig L. Sugarman	July, 1940
John A. Hoefflin	October, 1941

*No longer associated with this agency

School of Insurance,
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Gentlemen:

We consider the first essential for any agency a broad, comprehensive knowledge of what is being done and what should be done. The Agency System, in its broad sense, is seriously handicapped because many agents do not have the "know how". These agents are as guilty of malpractice as would be a doctor or lawyer who is not qualified in his profession. Unfortunately, the qualifications for agents are not as exacting as they are for other professions.

The future success of the Agency System and the individual agent will be in direct proportion to the knowledge of the business and the amount of energy and effort expended in developing that business.

Eight of our ten USF&G students remain active with us. The broader knowledge of insurance conditions gained by our students at your School is worth far more than the time and money expended in taking these courses.

Education in insurance matters - "agency know how" - is a MUST for those individuals who expect to succeed; and is necessary for all agents if the Agency System is to survive.

We selected your School because of the thorough way in which it is planned, and because it is directly helpful in enabling the agent make more money for himself and for the Company. There have been many fine developments as a result of our participation.

Sincerely,

Hunter Brown, President

HB:PK

"Consult your Insurance Agent or Broker

as you would your Doctor or Lawyer"

U.S.F.&G.

United States Fidelity & Guaranty Co., Baltimore 3, Md.
Fidelity & Guaranty Insurance Corp., Baltimore 3, Md.
Fidelity Insurance Co. of Canada, Toronto

Middleton Heads Ohio Federation

COLUMBUS—A new constitution was adopted and new officers elected at a reorganization meeting here of Insurance Federation of Ohio. Frank R. Middleton, National Surety, Columbus, was named president. The fire, life, casualty and surety, and accident and health groups each selected a vice-president, members of a governing committee and each a sectional committee. Homer Trantham of Columbus is secretary-treasurer and counsel of the federation.

Clyde B. Helm, secretary of Insurance Federation of Minneapolis said organized effort in the insurance business has become more important as a result of the U. S. Supreme Court decision declaring insurance to be commerce. He said insurance industry must do a more thorough job of education, both within and outside the industry, and stressed the necessity of seeing that all insurance laws and regulations are thoroughly understood by the public and properly administered. He feels that the Insurance Federation is the vehicle best suited for performing that service.

Mr. Helm expressed the belief that

the best way to prevent further inroads in insurance by the government is to give the public, including lawmakers, a "complete and honest picture of the workings of the new insurance conceptions." He expressed the belief that only by so doing and by thoroughly organizing all branches of the insurance business can the trend towards governmental domination and control of insurance be halted.

Federation Good Medium

Pointing out that the Insurance Federation is composed of representatives of all types of insurance, Mr. Helm said it is the one organization available for the united cooperation of all insurance interests.

Vice-presidents elected are: Life, Claris Adams, president Ohio State Life; fire, W. H. Witherspoon, Aetna Fire, Columbus; casualty and surety, O. P. Ruffing, Travelers, Columbus; accident and health, W. G. Alpaugh, Inter-Ocean, Cincinnati.

Gaflac Choralists Entertain

Gaflac Choral Society presented its annual spring concert last Sunday at Philadelphia. The concert is an annual affair of General Accident. John S. Warren is director of the choral group.

L. J. Kempf Retires from Travelers

Louis J. Kempf, vice-president of Travelers and Travelers Indemnity, will retire at the end of May. He and Mrs. Kempf plan to spend the next year in traveling.



L. J. Kempf

Mr. Kempf in 1912 became special agent for Travelers Indemnity in boiler lines at Chicago. He was transferred to Travelers as assistant manager in 1915 and became casualty manager in Chicago in 1918.

He went to the home office and he was made secretary of the compensation and liability department in 1934. He was promoted to vice-president in charge of the same department in 1945, and subsequently was made vice-president of Travelers Indemnity also.

A son, David L. Kempf, is assistant secretary in the branch office administration department at the Travelers home office.

Aurora A. & H. Operators Indicted by U. S. Jury

The federal grand jury at Chicago has voted an indictment on charges of using the mail to defraud against Northern Trust Life of Aurora, Ill., together with its president, Vaughn V. Moore; its secretary, E. A. Wilmsen, All American Insurance Agency and Nation Wide Insurance Service, all of Aurora.

The indictment charges that from Oct. 30, 1942, Northern Trust Life and its cooperating agencies have sold A. & H. insurance making false representations and "wild promises." Eighty-seven percent of the claims presented have been rejected, according to United States Attorney Otto Kerner.

It was also charged that Northern Trust's A. & H. policies were sold through the two agencies, and that the contracts were misrepresented in the sales literature. Kerner said the premium was \$1 monthly. Most of the claims were rejected or else insignificant payments were made. Postal inspectors said the benefits that were paid averaged \$34.

Since 1945 premium collections have totaled \$200,000, according to Kerner. On some policies the agencies get all of the first month premium and 40% thereafter, while on others the renewal commission ranged from 10% to 75%.

There are 29 fraud counts in the indictment and a conspiracy count. Each of the fraud counts carries a maximum fine of \$1,000 and five years imprisonment while the maximum under the conspiracy count is \$10,000 and two years in prison.

N. Y. Revision Launched

Compensation Insurance Rating Board of New York has undertaken a revision of compensation rates to become effective, subject to department approval, July 1. This is designed to take care of changes in classification relativity, rate level, expense loading and loss and expense constants and will reflect the effect of the 1948 law amendments.

The board will hold in abeyance the publication of rates for all risks with rating anniversaries on and after July 1.

Switch Zurich Group Star

Sherman J. Lavigna has been named district manager of the group department at Cleveland for Zurich. Mr. Lavigna has been district manager of the Chicago region and last year led all other group men in the company in production.

American Surety Revises N. Y. Setup; Raises Sadler

In a revision of the American Surety group setup in the greater New York area, Edward D. Sadler, present manager of the Brooklyn office, becomes resident vice-president, and Randolph E. Brown, manager of the metropolitan branch of New York Casualty, becomes Brooklyn manager. This office will serve Brooklyn, Queens and Long Island, and has been moved to larger quarters at 16 Court street.

The branch office in New York continues under W. R. Ehrmanntraut, manager. The office will handle Manhattan and nearby up-state counties. Members of the New York Casualty staff have been transferred to both offices.

Mr. Sadler joined American Surety in 1901 in the home office legal department. In 1902 he was transferred to the court and contract department and in 1908 to the metropolitan branch office. He was appointed Brooklyn manager in 1919. Mr. Brown, who graduated from Princeton in 1930, joined the agency department of American Surety in 1935 as a district supervisor. He was appointed superintendent of agencies in 1938 and manager of the metropolitan branch for New York Casualty in 1946.

Detroit Directory Issued

Copies of the 1948 Detroit Insurance Telephone Directory have been distributed to local subscribers by The National Underwriter Co. The 76-page book lists fire, casualty and life insurance offices and other offices whose work is closely associated with insurance alphabetically with phone numbers.

The Detroit book is one of similar phone books published by THE NATIONAL UNDERWRITER for the cities of Baltimore-Washington, Dallas-Houston, Chicago, Detroit, Philadelphia, Pittsburgh and Boston. Additional copies of the Detroit book may be obtained from the Detroit office, 219 Transportation building, or the Cincinnati office of The National Underwriter Co., 420 East Fourth street, at \$1 each.

Attach China Co. Funds

The New York court of appeals has affirmed an order of attachment issued to American Reserve against \$95,000 of China Insurance, on deposit in the New York City branch of the Bank of China.

The action was taken when China Insurance advised American Reserve that it was prevented from paying the sum not through unwillingness to remit the balance due but because of a Chinese government ruling forbidding the use of foreign exchange by government banks for reinsurance premiums.

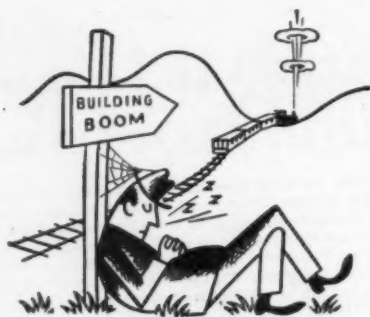
Hike Mich. Blue Cross Rates

Michigan Hospital Service (Blue Goose) has increased its rates 40 cents a month for individuals and 90 cents a month for families. The increase has been approved by the Michigan department.

Raymond Waldron, vice-president of Detroit Fire & Marine, got bold front page publicity, including a two-column picture of himself, in the "Daily Evening Item" of Lynn, Mass. He became a news figure because he was the first guest to register at the new Ocean House at Swampscott, Mass. He motored there for the annual meeting of Western Underwriters Assn., but got to the New Ocean House the day before it was scheduled to open for the season.

However, President Clément Kennedy invited Mr. Waldron to come in and have pot luck. The elevator was not running so Mr. Waldron had to walk five floors to his room. Apparently the Lynn paper was out to develop a feature story on the opening of the New Ocean House, and built it around Mr. Waldron's experience. He was described by the reporter as "a white-haired, stately gentleman, who hails from Detroit."

Write Manufacturers . . . it pays!



Asleep at the Switch

A rude awakening awaits this Rip Van Winkle. Because he failed to get his bid bonds on time, he's missed the "train" with his bids. Another contract lost, a contract that a Manufacturers Agent could have saved.

Manufacturers help their agents serve contractor clients quickly and efficiently by assisting in the establishment of lines of credit and in the prequalification of these clients for bid bonds. We invite your inquiries about this profitable business.

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Insurance hospitalization been aff the record Cross ran men am been fou to the c consider Group n to expla company meeting concrete 700 emp whose shifted Assuran rate inc and the guarante switch. success Hospital ing wed. Nation of the E ports of ties whi public c pany co which sh the year their resu Chicago York C Angeles company, showing Blue Cr they are able exp raises a in the Chicago a numb expected that an within t Many beat th some of

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Revises Sadler

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Chicago Blue Cross Rate Hike Provides Group Insurers Entree

Insurance companies writing group hospitalization in the Chicago area have been afforded considerable leverage by the recent substantial raise in local Blue Cross rates and producers and company men are making the most of it. Employers, employees and labor unions have been found to be alarmed by the raise to the extent that they are willing to consider insurance company proposals. Group men have had a number of calls to explain the advantages of insurance company hospitalization cover at mass meetings. So far there has been little concrete success except in the case of 700 employees of American Medical Assn. whose hospitalization coverage was shifted from Blue Cross to Continental Assurance. This was effected before the rate increase, but the pending increase and the refusal of the Blue Cross to guarantee rates were responsible for the switch. It is too early to see what other successes will be scored in this direction. Hospitalization may serve as an opening wedge for other covers.

Nationally the annual statement figures of the Blue Cross plans substantiate reports of underwriting and cost difficulties which with rate raises have inclined public opinion toward insurance company coverage. Among the larger plans which showed a negative net income for the year and were forced to dig into their reserves were Chicago, Massachusetts, Philadelphia, Michigan, New York City, Cleveland, Minnesota, Los Angeles and Colorado. While insurance company people are not interpreting this showing to the public as meaning that Blue Cross plans generally are unsound, they are pointing out that this unfavorable experience has been productive of raises and bids fair to bring more raises in the near future. The rate hike in Chicago, for example, was not so high as a number of the insurance people had expected it to be and many now predict that another raise will have to be made within the year.

Many insurance companies can now beat the Blue Cross on net rates and some of them provide greater benefits.

E. W. Elwell Is Feted as Royal Exch. 25-Year Man

New York—Employees of the Royal Exchange group Monday gave a pleasant surprise to Edward W. Elwell, U. S. manager upon his 25th anniversary with the group.

Mr. Elwell was presented with a large bouquet, a beautifully framed, hand-engraved commemoration scroll illuminated in gold, silver and colors, a sterling silver bowl engraved with the sentiments of the staff, a fine cowhide travel bag, and a small pigskin travel kit. Mr. Elwell also received many cards, telegrams and congratulations.

The occasion of Mr. Elwell's 25th anniversary was on the same day selected by 25 members of the staff who have been associated with the group 25 years or more, for the inauguration of the new 25-Year Club of the Employees of the Royal Exchange Group, which held its first dinner that evening.

Traders & General Record

In the Automobile Insurance Edition of THE NATIONAL UNDERWRITER, the 1947 auto premiums of Traders & General were understated by \$195,702. The \$105,639 premium shown under the fire, theft and comprehensive column failed to disclose \$194,702 premiums for comprehensive. This would make a total of \$300,341 instead of \$105,639.

Cosgriff Gets Gens Falls

Glens Falls has appointed Ed. P. Cosgriff Co., Fargo, as general agents to handle its fire, automobile, inland marine, and marine business in North Dakota.

This gives insurance producers a strong talking point. The insurance company coverage has additional appeal in that group hospitalization insurance is regularly written with the employer contributing part and sometimes all of the cost, whereas most Blue Cross plans in existence have the whole cost paid by the employee. Under pressure of competition from the insurance companies and due to more careful attention to sales Blue Cross of late has been writing a few plans on the basis of cost shared by the employer. Cost sharing is a strong attraction to employees and unions as well as to the employee-minded employer.

Underwriting Advantages

The cost differential is more pronounced in the larger groups where the companies can do a close underwriting job. Group men and insurance producers can point out to prospects that the companies can do an underwriting job that will insure low cost because of the more satisfactory spread obtained by the requirement that 75% be enrolled in the

insured group. Blue Cross on the other hand will accept any percentage and inherits a good deal of bad selection in this way.

The point is usually made that the insurance company plans will pay costs in any hospital while Blue Cross admittance is limited to subscriber hospitals only.

Group men don't have much trouble convincing employers of the advantages of an insurance company plan. With the employees and the union people they run up against barriers which are still difficult to surmount. Many still feel that while the Blue Cross is a "not for profit" organization, insurance companies, mutual or otherwise, are out to take as much profit as they can get. Then there remains the undisputed fact that a Blue Cross card is an unbeatable entree to a hospital.

The ease of the whole transaction with a hospital in a Blue Cross claim is superior to that which companies can offer, because the companies still do not have the standing with the hospitals that Blue Cross does and Blue Cross investigates no claims.

The outlook is brighter for new sales than for writing group hospitalization where Blue Cross has been in effect because people feel they are losing money when they switch to a new sys-

Modify Quarterly Report Requirements

The California department has modified its quarterly report requirement so that foreign and alien fire and casualty insurers need now only complete the first page of the blank.

To Hear Talk on Taxes

Spare the taxes and spare the nation's economy was the topic of Don G. Mitchell, president Sylvania Electric Products, at the April 27 dinner of the Accident & Health Club of New York.

The annual outing May 19 at the Engineers Club, Roslyn, L. I., will feature a soft ball game between a downtown New York team managed by Herbert Reaves, Royal-Eagle-Globe, and an up-town team.

tem after having paid premiums to Blue Cross for some time.

Nobody pretends that Blue Cross plans have suffered a death blow in popularity. The fact that the plans nationwide added 3,772,029 subscribers to their rolls during the past year to bring the total number to 29,498,527, would seem to make any such claim groundless.

Special Coverages for Special Risks

Wherever you are, you're close to plenty of prospects who need AND WANT insurance specially designed to cover the unusual hazards they must incur. It's easy and profitable to convert them into policyholders with these typical special coverages issued by the Provident:

ATHLETIC COVERAGES

(for student, amateur and semi-pro teams)

SUMMER CAMPER'S POLICY

(for entire camp enrollment)

PREPARATORY SCHOOL and COLLEGE PLANS

(for entire student body)

VOLUNTEER FIREMEN'S POLICY

(issued on both individual and blanket forms)

We'll send full information in exchange for a letter outlining your qualifications.



PROVIDENT LIFE & ACCIDENT INSURANCE COMPANY
CHATTANOOGA

protecting provident people since 1887

Auto Rates Get Boost in Ill.

Automobile fire, theft and collision rates in Illinois were increased May 1 to bring that state in line with others which got a similar hike a year ago. The effective dates are May 1 for new business and June 15 for renewals.

For collision, the changes appear in the older age groups. The second group rates now equal those of the first, and the third and fourth received increases of about 15% and 13% respectively. The amount of increase ranges from \$4 to \$11. Illinois collision rates still are somewhat lower than those of other states. Under the new setup, the rates by age groups are 100, 100, 90 and 80; in other states the practice is 100, 100, 90 and 90.

Fire, theft and comprehensive rates were raised on a like basis. The highest increase fell on Chicago, with the suburban territory taking a boost higher than that given downstate. The big increases in age groups were on the 2nd and 3rd. Towing and road service charges were raised \$1 per car to \$3.

G. A. B. Western Changes

A. E. Hearn, manager at Chico, Cal., for General Adjustment Bureau for nine years, has been named manager at Boise, Ida., to succeed P. F. Padou, who has asked to be relieved of his responsibilities because of ill health. Mr. Padou will continue as a member of the Boise staff.

Mr. Hearn has been with G. A. B. since 1930, starting at Portland, Ore. John V. Crowley of the Sacramento office, has been named manager at Chico to succeed Mr. Hearn. Mr. Crowley joined G. A. B. in 1937.

M. S. Merrill, manager at Idaho Falls has been transferred to Pocatello, and C. H. Anderson of the Ogden, Utah,

office has been promoted to adjuster in charge at Idaho Falls.

Richard Montgomery has been transferred from Pocatello to Klamath Falls, Ore.

G. A. B. has opened a new office at Bellingham, Wash., with Arthur M. Warnell as adjuster in charge. Mr. Warnell joined the firm in 1941.

Hoiles to Ill. Local Agency

C. E. Hoiles has resigned as Nebraska state agent for Crum & Forster, to enter the local agency business in Greenville, Ill., where he previously owned a local agency from 1932 to 1940. He also has farming interests there.

Mr. Hoiles has been in the Nebraska field for three years as state agent and for five years previous was in northern Illinois as special agent.

W. Va. Field Men to Meet

West Virginia Blue Goose and Field Club of West Virginia will meet June 9-10 at the Ruffner hotel, Charleston. The Blue Goose sessions will be the first day and will consist of a golf tournament and dinner in the evening. The business meeting will be that morning.

Brokers Cancel Luncheon

Congressman Ploeser's duties in Washington will prevent him from speaking at a luncheon which was planned by the Insurance Brokers Assn. of Illinois for May 11 as a feature of the meeting there of the National Brokers Assn. executive committee. This luncheon has been canceled.

T. J. Houston & Co. Moves

The T. J. Houston & Co. independent adjusting firm of Chicago has moved to suite 1501 at 231 South La Salle street. The new telephone number is Financial 1400.

Alexander & Co. Agency of Chicago Enlarges

W. A. Alexander & Co., general insurance agency of Chicago, and its associated companies have leased 5,440 square feet additional space in the Field building to accommodate for an office reorganization and expansion program. Henceforth the agency will occupy all of floors 33, 34 and 35, and half of 32.

Additional space will be used in part to house a new automobile physical damage claim handling organization to be staffed by new and specially trained personnel. Regrouping of several departments into new special risk and standard risk divisions, and general expansion necessitates the balance of the space.

Personnel changes announced in connection with the reorganization include appointment of Gerald E. Myers as director of special services, and George Enke, Ben A. Roberts, John J. Steinbach and James I. Wickens as account executives.

Storm Reveals Agents Lack Farm Insurance Knowledge

Thomas E. Gorman, special agent of Aetna, stated at the regional education conference of the Ohio Assn. of Insurance Agents at Dayton University that his experience with losses following the windstorm of March 19 brought home to him that many agents writing farm insurance lack knowledge of it.

Mr. Gorman brought out that too many agents have stressed placing the major part of insurance on farm buildings and neglected to cover the chattels on the farm. The livestock, farm implements and feed represent the source of the farmer's income and if proper insurance is placed on these items, it is not so difficult for the agent to hold down insurance on buildings to the proper utility value.

The speaker stressed the need of closer inspection of farm property. The elimination by endorsement of coverage on roofs of buildings that are not in such condition to make them eligible for windstorm coverage was suggested. He called for a careful checking of fire hazards with attention to improper heating in farm dwellings and other buildings, defective lightning rods and overloading of electric wiring. According to Mr. Gorman, the use of high voltage light bulbs in barns causes many losses that could be prevented.

New Texas Auto Mutual

Agricultural Workers Mutual Auto, with home offices at Fort Worth, has received a Texas license. It is a non-profit organization owned and operated exclusively by professional agricultural workers of Texas.

William C. Young, general manager of National Farm Ins. Co., is president; Donald L. Jones, superintendent of the Lubbock agricultural experiment station, and E. R. Alexander, head of the agricultural department at Texas A. & M. College, vice-presidents; W. L. Sangel, dean of agriculture at Texas Tech, chairman.

Bizzell Is La. Welder

W. S. Bizzell, manager of Louisiana Rating & Fire Prevention Bureau, has been elected welder of Louisiana Blue Goose. He succeeds Lake Dupree, who resigned on entering the local agency field.

James W. Reedy, head of the agency bearing his name in Chicago, is celebrating his 35th year in the insurance business this month. Mr. Reedy started in 1913 with Royal Indemnity. He served overseas in the first war. From 1915 to 1925, he was in the bond department of Fidelity & Casualty as clerk, collector, and then agent. In 1925, he became a class one member of the Chicago Board.

Perfect Plans for Advanced Agency Management School

The advanced agency management school sponsored jointly by National Assn. of Insurance Agents, Connecticut Assn. of Insurance Agents, and University of Connecticut at Storrs, Conn., Aug. 9-13, has attracted enrollment from California, Louisiana, Michigan, Pennsylvania, New Jersey and New York as well as from the New England states. Maximum enrollment is set at 55. All agents nation-wide are eligible for this course. Information is available from William H. Wiley, 99 Pratt street, Hartford.

Subject matter and instructors for the courses are: "Specifics of the Job," R. E. Farrer, N.A.I.A.; "Legal Problems of an Agent," Dean L. J. Ackerman; "Sales and Other Records," Richard J. Layton, Rough Notes Co.; "Analysis of Agency Expense," F. Stuart Brown, American; "Customer Account Analysis," Frederick Flynn, New York; "How to be a Better Agent," Roy Dufus, Rochester; "Public Relations," Mr. Farrer; "Agency Advertising," Byron H. Clark, Hartford; "Business Letter Writing," Howard Dana Shaw, Philadelphia; "Selection and Training of Co-workers," F. M. Senf, New Britain, and "Effective Speaking," Prof. William Muchl, Yale.

Cut Agents' Commission on Reinsured Part of Line

Some companies in excepted cities that have not decided on their final commission adjustment program have put into effect an interim measure that is said to be acceptable to most of the agents. This provides for paying the former scale of commissions except where the company is required to reinsure a risk and then the commission that is paid to the agent on the portion of the risk that is reinsured is cut down as much as 10 points.

FOR PROMPT GLASS REPLACEMENT AT LOWEST COST . . .



PETERSON HITS THE MARK!

For speed, dependability, and performance in plate glass replacements you can't beat Peterson. Furthermore, Peterson's valuable Survey Service will enable you to keep loss ratios at a minimum and to increase underwriting profits. Whether it is a department store or a bakery . . .

CALL TEMPLE 3-3707

PETERSON
GLASS COMPANY
2833 John R St., Detroit

No Business Direct



NATIONAL SURETY CORPORATION

VINCENT CULLEN
President

Advanced Crawford Editor Emeritus; Miller to J. of C. Post

William S. Crawford has been named insurance editor emeritus, and Elmer Miller has been appointed insurance editor of the New York "Journal of Commerce."

Mr. Crawford, who will continue to contribute special articles to the "Journal of Commerce" under his by-line, marked his 29th anniversary as insurance editor March 17. He has spent more than 50 years in newspaper work, most of it in insurance journalism.

A sound and prolific writer on insurance, his articles have formed the basis of two books. The first, "The Background of Fire Insurance," was published in 1932. The second, published last year under the title, "By-Lines by Crawford," was a collection of some of his recent outstanding columns which appeared in the "Journal of Commerce."

Big Influence in Field

Mr. Crawford has exerted a strong influence over the years on the insurance business. His counsel has often been sought by leaders in the industry and his opinions have been listened to with respect, based as they were upon an objective viewpoint to complex insurance problems.

Mr. Crawford was born Nov. 25, 1865, at Cleveland. He was graduated from Ohio State University in 1888. For a while he was in business with his father, a horticulturist, but entered newspaper work in 1889 with Marcus Daly's Anaconda Standard as correspondent and circulation manager at Missoula, Mont.

He later became city editor of the "Evening Mail" at Boise, Ida., then legislative reporter of the "Morning Statesman" of Boise. Returning to Ohio, Mr. Crawford sold life insurance for a time, but again entered the newspaper and publishing field with the old "Ohio Underwriter." After another four-year period in horticulture, he returned to the "Ohio Underwriter," and when that paper was moved to Chicago and became THE NATIONAL UNDERWRITER, he was made associate editor.

Leaving THE NATIONAL UNDERWRITER in 1917, he teamed with Thomas R. Weddell as Chicago correspondents of the "Insurance Field" of Louisville. The two also turned out the old "Insurance Post." Two years later, in 1919, Mr. Crawford became insurance editor of the "Journal of Commerce."

Miller's Career

Mr. Miller, until now associate insurance editor of the "Journal of Commerce," has had nearly 25 years experience in the daily newspaper and insurance publishing fields. He worked on several daily papers and for the Associated Press before specializing in insurance publicity and newspaper work. For five years he was on the staff of the publicity department of Aetna Fire, following a period of training in fire and allied lines underwriting.

In 1935, he joined the "Insurance Field" at Louisville as associate editor, later becoming business manager and managing editor. He joined the insurance staff of the "Journal of Commerce" in 1940.

Mr. Miller was born at Staunton, Va., in 1905. He was educated at University of Virginia.

Max R. Schreyer, vice-president of Associated Agencies, Chicago, has been elected president of the Chicago Federation of Reform Synagogues.



W. S. Crawford

Mahoney Reviews Commission Issue at N. Y. Meeting

SYRACUSE — Commission agreements are now illegal unless regulated by the state, and in New York the producers have a golden opportunity to help work out a method of establishing commissions that is satisfactory and in the public interest, Senator Walter J. Mahoney, chairman of the New York joint legislative committee on insurance, told New York State Assn. of Insurance Agents at its meeting here.

There is as yet no clear answer to the problem but this much can be said: The agreements must be voluntary and openly arrived at, fair and reasonable, they must be observed, and the superintendent should not fix the rates, he said.

Some of the unanswered questions are: How much control should the state have? How far should the producer's voice govern? How much should companies be circumscribed?

One suggestion Mr. Mahoney's committee received is: Allow companies and producers to make agreements. When differences arise as to commission amounts and the two can't agree, either party can request an advisory opinion from the superintendent, who would then hold a hearing and deliver his opinion. This would not be binding. The parties could follow it or not. This idea has some merit, he said.

No one group has the answer but all have to come to grips with the problem, he declared, and he urged companies and producers to sit down and thresh out the matter together. Off the record, informally, his committee believes this and other problems can best be solved by conference. He declared that if the idea of commission agreements is not solved, if chaos ensues and the Mahoney committee is still in existence, then it might do what it has not had to do so far, resort to its subpoena powers.

The association's presidential citation went to R. M. L. Carson, Glens Falls, and the Amsterdam board won the London Assurance public relations plaque.

Norwich Union Makes Shifts in Field Force

Norwich Union has extended the territory covered by George R. Arrington to the entire state of Pennsylvania. His office is in Pittsburgh. Carl D. Keith, assistant special agent in Iowa and Nebraska, has been transferred to assist him.

Goodwin Clyne, state agent for western New England, is taking over the New York suburban territory. His former territory will be supervised by Lewis P. Bither, who will handle the New England field from Lowell, Mass.

British Market Acts on Ocean Rates to Palestine

An Associated Press dispatch says that London ocean marine underwriters are canceling all open contracts on shipments to Palestine effective May 14, the day before the British leave Palestine. Informed sources say the companies are going to change their rates and fix them on a day to day basis depending on the developments in Palestine. This has had no effect on the American market yet.

Postpone Eagle Fire Hearing

The hearing on the order directing Eagle Fire of New Jersey to show cause why its affairs should not be managed by equity trustees has been postponed for one week. There is a deadlock of the directors, with the principal source of difficulty being the charge that the company is overstaffed. An arrangement has been made with Corroon & Reynolds to write business in the firm's name.



Are your clients only

PARTLY-COVERED

against power-equipment failure?

The worm's predicament may seem funny. Yet how many of your clients are only partly-covered—with boiler insurance alone? Or with boiler and machinery insurance but with no Use and Occupancy coverage? Accidents to boiler and machinery units cost owners of factories, laundries, hotels and dairies substantial sums every year.

Your clients will appreciate your foresight in checking with them on their needs from time to time. They may have bought new equipment or

restored old units to work. Make sure that they have adequate insurance protection—plus inspections by specialists.

The Special Agent of Hartford Steam Boiler has the required knowledge and experience to aid you in selling and servicing this added protection. He will be glad to work with you in getting a sales plan under way. You'll find his help profitable—to you and to your clients.



The Hartford Steam Boiler Inspection and Insurance Company

HARTFORD, CONNECTICUT

FOR POWER-PLANT INSURANCE, IT PAYS TO CHOOSE THE LEADER

N. Y. Agents Throng to Annual Conclave at Syracuse

(CONTINUED FROM PAGE 1)

45 he served two terms as president of the Queens group. He has been active on state association committees, including the executive committee.

Superintendent Dineen reviewed progress in administrative changes the New York department and the industry have been making.

Harry W. Miller, U. S. manager of Commercial Union and chairman of the governing committee of New York Fire Insurance Rating Organization, thanked agents for their cooperation.

R. M. L. Carson, Glens Falls, reported briefly for the conference and co-ordination committee. He said the rating organization has developed new dwelling forms, which are being submitted to the insurance department for approval. The new ones are reduced to two in number for protected and for unprotected and seasonal. For the first time extended coverage is included, which will eliminate a pasting operation.

AGENCY PRODUCTION

The Tuesday session on building agency prestige and production was inaugurated by Donald R. Waful, now vice-president of Bruns & Co., Syracuse, who described the fine work of the insurance institute at Syracuse University.

WANT ADS

Large Chicago agency wants thoroughly seasoned Chief Compensation Underwriter experienced in supervising preparation of proposals. Please reply to Box P-91, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill. (Our personnel has been informed of this advertisement.)

WANTED CASUALTY SPECIAL AGENT FOR EASTERN KANSAS

A large mutual casualty company with a well established agency plant in Eastern Kansas, has an opportunity for an experienced casualty fieldman. Kansas experience preferred. Give details in first letter. Our employees know of this advertisement. Address Q-12, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

CLAIMS EXAMINER

Unusual opportunity afforded by establishment of Midwest claims department in St. Louis of large national multiple line company group. If interested in your future, write: Box Q-13, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

EXECUTIVE AND ACTUARY

General manager of a medium-sized casualty company, is available for executive position. Address T-30, The National Underwriter, 99 John Street, Room 1103, New York 7, New York.

UNDERWRITER

Young man with some experience in underwriting, burglary, or boiler and machinery insurance. This position offers an excellent opportunity for advancement. The Employers Group, Room 1625, 175 W. Jackson Blvd., Chicago.

Mr. Waful attended the first one on his return from the war. The institute has been dropped this year because of lack of enrollment. Inertia seems to be the principal reason. Sources for education of beginners seem to be drying up, he said. Most of those in the business apparently are thinking of additional training and education for those already in business. There are plans for using some of the N.A.I.A. courses at the university this winter, and then aim at another institute next year.

The very best public relations is competency, the well trained agent who paces the changes in insurance and improvements in merchandising, he declared.

The institute provided confidence, L. James Shaw, Markins agency, Rochester, said. There had been so many changes that those in the field before the war returned to a tough and confusing assignment. He recommended the weekly forum conducted by the Rochester board by Roy A. Duffus, as a post-school continuing refresher.

Closely Attend Taylor

The use of locally tested advertising held agents closely to the talk on advertising by Harold E. Taylor of American.

The change to a line folder system, from a 50-year practice of using daily reports, has meant thousands of dollars of business and a lot of prestige, because the agency can answer assured's questions quickly, Horace S. Van Voast, Jr., Schenectady, said. He got the idea at the University of Connecticut agency management school.

Every line of any size should be analyzed every six months, he advised. Particularly underinsured now is business interruption. Your customers' accounts are the best source of new business and service.

If accounts receivable start to increase more rapidly than premiums, that is the danger point in credit. He advised agents to stay out of the banking business.

A skit showing three agents effecting a merger was presented by Mr. Van Voast and two others who attended the agency management school at Storrs, Conn., Charles J. Schoen, Mount Vernon, and Arthur L. Schwab, Staten Island. Should it be a corporation or partnership? How are the agents to value their businesses? How much salary should each take? They agree on a buy and sell agreement, on the basis of total commissions of the past five years, divided by five, times 1½. How about personnel? Accounting report frequency? Keeping premium accounts by customer names? How much spend on advertising? Agency location.

The three started off in graduate cap and gown, but quickly stripped to sweat shirts. It was a lot of fun—and information.

AUTO ASSIGNED RISK

The changes in the auto assigned risk plan were explained by George J. Schepens, plan manager, New York City. He answered several questions.

Is the assigned risk plan a pool? No. Each company bears the cost of the risk assigned to it. Companies don't like pools. They have had some bitter experiences with them.

Has the plan contemplated having insured indicate his preference, stock or mutual? No. Because some large mutuals participate such selection would be unfair.

Does the plan take motorcycles? Yes—it will take anything that is registered. Will you use the same application form? For two weeks, then shift to a new form reflecting the changes. Don't bother with filling in where the old form calls for three letters of declination, Mr. Schepens said.

How about higher limits? A corpora-

tion, for example? The companies will only give the limits required by law. How about excess limits? If you can get it placed on the open market. Someone said this morning that Lloyds is taking such excess.

Will you take a driver with a cardiac condition? We can ask for two doctors' affidavits that it is safe for him to drive and then turn over the application to our own doctor for final decision.

Age or condition of car, do they affect acceptance? No. We just took a 1920 Stanley Steamer.

Can the agent charge insured a 10% service charge? No, Walter Martineau, deputy superintendent of insurance, said. Mr. Schepens said he knows producers have charged \$25 per car for submitting applications to the plan.

When a company declines an application, what can the agent do? File an appeal with the plan, which will go before the governing committee, which meets about once a month.

Agents are part of the business and their work is their contribution to that business; after all, less than one-half of 1% of insured cars go into the plan, Mr. Schepens said.

Mr. Martineau said a broker can charge the 10% service fee, but he must have written agreement with insured to do so.

Business interruption is mark-up insurance, Henry O'Loughlin, state agent of the Phoenix-Connecticut group, stated. Merchants mark-up every piece of merchandise; but that mark-up isn't earned 'till it is sold. It isn't earned if it burns, either. For a small or medium store the agent can multiply the annual sales times average mark-up and quote on basis of 50% for 50% coinsurance. If the agent does this he doesn't need a work sheet. This is high because it should be merchandise time average mark-up—but it won't be more than 20% or so high and insured can use it.

Mr. O'Loughlin and an agent walked into a store. How much is your average mark-up? 30%. Annual sales? \$50,000. That's \$15,000 a year? Yes. Take about six months to get back in business? Yes. That's 50%, \$7,500—cost you \$123 for three years. That agent since has sold a lot of mark-up coverage to grocers, druggists, small and large stores.

Giving the merchant an idea immediately what it will cost it contributes materially to closing the sale, he said. Mark-up insurance provides the merchant with a non-taxable reserve for catastrophe. The insurer pays employees—four or more—and insured earns a credit in his unemployment compensation tax.

One insured said this credit paid a good share of his mark-up insurance premium.

In his customary rapid fire but clear manner, Roy A. Duffus covered a number of underwriting and sales points. Mr. Duffus is a penetrating analyst of insurance and can find so many good sales ideas and underwriting values in so many places his audience often chuckles with astonishment.

Dann Heads N. Y. Mutual Agents

NEW YORK—Norris Dann, Endicott, was elected president of Mutual Insurance Agents Assn. of New York at the annual meeting here. Allyn Smith, Albany, and S. LaVerne Omstead, Wolcott were named vice-presidents. Walter C. Taylor, Rochester, was named secretary, and Corey G. Hunter, Moravia, treasurer.

Business will be good all through 1948 and possibly for the next two or three years, Kenneth Kramer, executive editor of "Business Week," told a group of about 150 assembled at the first day's luncheon meeting.

Alfred J. Bohlinger, deputy New York superintendent, reviewed the new insurance legislation and said that successful state regulation will avert the possibility of federal intervention in regulation of the industry. Corey G. Hunter, Moravia, secretary of the association, was chairman at the luncheon.

At the banquet Roy H. Warmee, sales promotion manager for Minneapolis-Honeywell Regulator Co., told the group that yesterday's salesmen are dead pigeons and that the salesmen of today and tomorrow must have knowledge and the proper attitude, provide service, work.

Merwin Southern Marine Head of Automobile

C. T. Merwin, who for the last three years has supervised the inland marine business of the New England department of Automobile, has been named manager of the southern marine department at Houston.

Mr. Merwin succeeds H. I. Schweppe, who has resigned to enter the agency business at Houston.

Educated at Wesleyan University, Mr. Merwin joined Automobile in 1925 and has served as a marine special agent at Syracuse, underwriter at Atlanta, state agent at Boston and assistant manager of the Atlantic marine department.

During the war, in Mr. Schweppe's absence in military service, Mr. Merwin served as acting manager of the southern marine department at Houston.

Like money in the bank...

Increased "Packaged Profits" are assured when you sell Columbus Mutual's "Life Package." The records of hundreds of salesmen prove it. So if you are not acquainted with this unique method of insurance selling you'll find our sample portfolio—sent without obligation—especially interesting.



The COLUMBUS MUTUAL LIFE INSURANCE COMPANY

D. E. Ball, President Columbus 16, Ohio

Mortgage Requiring Rent Insurance

(CONTINUED FROM PAGE 12)

tion likely to be collected under rent insurance can be substantial when compared with the fire loss with which it is associated, that money coming into the hands of the landlord may make it possible for him to meet his mortgage obligations. Lacking it, he might be impelled to request a modification of the mortgage terms. Amortization might have to be suspended.

Owner Occupied Dwelling

Another suggested candidate for rent insurance is the owner occupied private dwelling. Many loans on this type are 80%, 90% or 100% of value. The owner may have barely met financial or earning requirements when qualifying for his loan. What a comfort, both for the owner and the mortgagee, would be the collection of indemnification for rents to be paid in temporary quarters while the home is being repaired. It would be a relatively easy matter to standardize procedure in requiring the coverage on one family homes. Householders should find additional living expense insurance of special appeal. This coverage, added to regular dwelling or contents policies, covers higher rent while at a temporary location, moving and storage of furniture, increase in cost of transportation and laundry and other similar living expenses made necessary during the period of restoration.

The type of property, nature of occupancy and time to rebuild enter into the proper selection of the correct rent insurance clause. In addition, a mortgagee in setting up requirements for this coverage, would need to consider other factors such as the rent roll, avoidable expenses after fire occurs and net income. The judgment necessary to keep the coverages in proper form and amount would require the time of an experienced insurance man if any volume of policies were involved.

Margin May Mean Difference

For many income properties rent insurance would afford but marginal security at best but it might be the margin by which foreclosure is avoided. During periods when competition is keen for loans, such a requirement might cause the loss of a desirable loan. Certainly, the owner should be more intensely concerned with a three to five months loss of rent than the mortgagee. Exclusive of those few situations where the lender can see an appreciable improvement in the security of his loan resulting from rent and rental value insurance, his efforts might be better spent in concentrating on keeping building coverages up to co-insurance requirements, and better yet, 100% of insurable value.

An educational job, however, can be done in making owners more conscious of the value of this little used coverage. It would be a distinct service to them to publicize rent insurance to the same extent as the extended coverage endorsement.

Wash. Golf Tourney May 7

Casualty Insurance Assn. of Washington and Seattle Surety Underwriters Assn. will hold their annual golf tournament May 7. John Hodson, American Surety, is in charge of arrangements.

Golfers will be divided into two divisions, one for members and the second for guests.

Correct Employers Figures

Figures of Employers Mutual Liability as reported in the Minnesota experience table in the April 29 issue were in error. Employers Mutual wrote total premiums of \$3,948,883. The property damage and collision premiums were \$273,883.

American Progressive Health of New York has been licensed in Delaware.

FTC Must Study State Laws a Year

(CONTINUED FROM PAGE 23)

but a contempt proceeding before a circuit court of appeals because of the failure of the respondent to comply with its order after the court has affirmed the commission's order and directed compliance. The Clayton act is similar to the FTC act in that the respondent has the right of appeal to the circuit court of appeals and the judgments and the decrees of the circuit courts are final under both acts except when they are such that they are subject to review by the supreme court upon certiorari.

The general attorney described the procedure for cooperative elimination of unlawful or questionable practices which FTC has made for a number of years through trade conferences. The commission now initiates these conferences on its own motion, while formerly such conferences were held only when a request was received from an industry. At these conferences, members of the industry indicate practices considered illegal and proposes rules to eliminate them. The commission considers the proposals and if they are considered to be in the public interest, promulgates rules for the industry as it deems advisable.

Asks Insurance Law Housecleaning

Speaking at the same meeting was Senator Wiley, chairman of the Senate judiciary committee, who asked that insurance laws be streamlined. Right now the industry is confronted with a problem of reviewing 48 volumes containing insurance laws of various states. These volumes contain around 30,000 pages each reflecting the view of opinion and prejudices of hundreds of legislators. The statutory deadwood which is accumulated in the insurance industry must be periodically house cleaned, he declared.

The senator indicated his belief that Congress intends to encourage self regulation by the insurance industry and to stimulate suitable state regulation rather than attempt to superimpose a strict federal pattern upon each state. He indicated that he believes that government can throttle free enterprise if it over-regulates industry.

Newell R. Johnson, vice-president Minnesota Mutual Life, commented that there are not many in the insurance industry today who still would have no regulation, but that on the other hand he hopes there is no longer anyone in government or industry who would advocate complete, rigid regulation which would put the business into a legalistic straitjacket. Such a system would have prevented the many developments of recent years in the various types of insurance, he concluded.

Va. "Comp" Hearing May 25

May 25 has been fixed as the date for a hearing before the Virginia corporation commission on application of the companies for a change in workmen's compensation rates. An increase is being asked in 478 classes, a decrease in 114 and no change in 67. The rates, if granted, would become effective July 1. Certain changes in rules and regulations also are sought.

Aetna Cas. Men on Coast

Vice-president Robert I. Catlin, assistant Secretary Ray Warmholts, manager of the engineering and inspection department, and Austin B. Bryan, casualty field supervisor of Aetna Casualty, were in Los Angeles last week.

Named by St. Paul-Mercury

St. Paul-Mercury Indemnity has appointed the Firestone Park Agency of Akron as agent in Akron and Summit county for all lines. E. J. Hanlon is president of the agency.

Court Rebukes Cal. Commissioner

LOS ANGELES—Superior Judge Fox has handed down final judgment in the appeal of National Automobile & Casualty from the order of suspension of its certificate of authority issued by the insurance commissioner. The judgment included a peremptory writ of mandate.

It was decreed that insurer shall recover its costs and disbursements from the state of California.

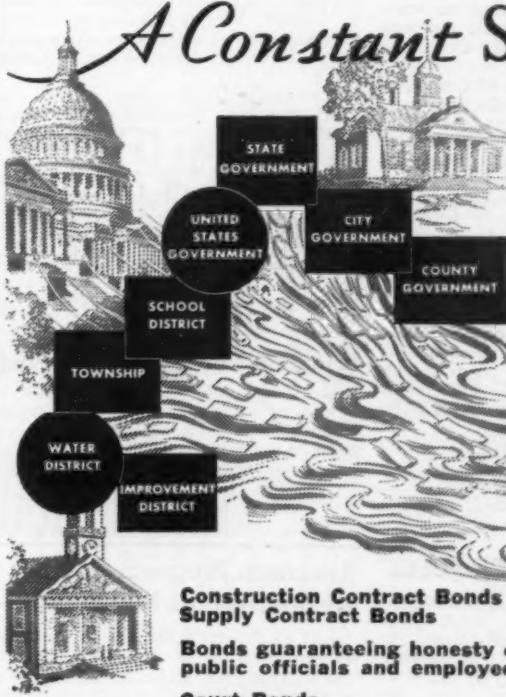
Judge Fox said the order of suspension is an abuse of discretion without and in excess of jurisdiction. The insurer was not given a full hearing and

fair trial; the hearing deputy was disqualified to conduct the hearing; the commissioner acted without a full and fair consideration of the evidence and did not give consideration to the mandatory provisions of the administrative code; the legal adviser to the hearing deputy was disqualified to act; the company was given no opportunity before the hearing to correct or discontinue the acts alleged.

Quit 50-50 Glass Form

Member companies of National Bureau of Casualty Underwriters, effective May 1 have discontinued the writing of the so-called 50-50 plate glass policy. This had been particularly popular in the middlewest.

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INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Mich. to Tighten Up on Licenses, Hildebrand Says

GRAND RAPIDS—Agents and solicitors' licenses will be "much more difficult" to obtain in the future in Michigan, Waldo O. Hildebrand, secretary-manager Michigan Assn. of Insurance Agents, predicted in a talk before the Grand Rapids association.

He said the Michigan department is altering its procedures in conducting examinations for new license applicants. He announced that in the future Commissioner Forbes will not permit local public officials to supervise examinations in various districts throughout the state but will send Carlyle Watters, assistant director of licensing, to take charge of the tests.

He pointed out that 90% of the applicants examined by local officials managed to make a passing grade in their tests while the average of successful applicants tested at the department offices has been only 40%.

Mr. Hildebrand also attacked action of some companies in freely licensing real estate brokers. He said many such licensees engage in questionable practices, particularly in the matter of controlling business involving properties handled by their realty offices. He said short rate cancellations are disproportionately high for many of these agents, indicating that they insist on rewriting policies and collecting full commissions when properties are sold through their agencies.

Raymond L. Jennings, state agent of American and president of Michigan Fire Prevention Assn., also spoke on fire prevention activities planned for the summer season.

Trophies for Mich. "Jaycees"

LANSING, MICH.—Two trophies are to be presented by Michigan Assn. of Insurance Agents to Michigan Junior Chamber of Commerce at its convention May 7-8 at Grand Rapids, to be placed in competition for future fire prevention competition among Michigan chapters of the "Jaycees".

Dale Bloom, Kalamazoo, chairman of the association's fire and accident prevention committee, will present the trophies, to be awarded annually for "outstanding efforts in fire prevention" by two local Junior Chambers, one in a Michigan city under 100,000 and the other in a community of more than 100,000.

The award program was worked out in cooperation with Gordon B. Dow of the Dow agency, Flint, chairman of the fire prevention committee of the state Junior Chamber of Commerce.

Krier, Ashton at Jefferson

JEFFERSON, WIS.—Insurance Underwriters of Jefferson County held their monthly dinner-meeting here, with a large attendance. Urban Krier, executive secretary Wisconsin Assn. of Insurance Agents, and J. L. Ashton of Leedom, O'Connor & Noyes, Milwaukee, spoke.

Mich. Meeting at Bay City

Howard Huttenlocher, Pontiac, president Michigan Assn. of Insurance Agents, has called a district meeting at Bay City June 16. It is expected that at least 100 agents from 12 Michigan counties will attend.

Among the subjects to be discussed will be a proposed new educational program through the added facilities of high schools and colleges, new agency licensing features, and attempts to

promulgate fire prevention activities. Mr. Huttenlocher and Waldo O. Hildebrand, secretary-manager, will lead the discussion, with Harry Chapin, Chapin-Mouthrop agency, Bay City acting as general chairman.

Protest Commission Cuts

JOPLIN, MO.—Insurance Agents Assn. of Joplin has adopted a resolution protesting cutting of commissions without consulting the agents.

Fire School at St. Paul

ST. PAUL—Speakers at the annual northwest fire school included Richard E. Vernor, Western Actuarial Bureau, Commissioner Harris, Gov. Youngdahl and Deputy Commissioner Leonard Lund.

Minnesota Underwriters Assn. and Minnesota Fire Prevention Assn. sponsored a Dutch lunch for 400 firemen attending the meeting.

Durham Ins. Club Speaker

Frank H. Durham, insurance attorney, will speak at the May 10 luncheon meeting of Insurance Club of Minneapolis on "Legal Liability of a Lessee as a Result of Fire Damage." This will be the annual meeting.

Erickson Leaves Lloyds Post

MINNEAPOLIS—Manford O. Erickson, state agent of Minneapolis Lloyds, since 1940, has resigned to engage in the practice of law at Marshall,

Minn., where he will also represent several companies as adjuster. He has been with Lloyds 19 years. Norman A. Gregor will travel southern Minnesota for Lloyds.

Springfield Agents Elect

SPRINGFIELD, MO.—W. D. Huff has been reelected president of Springfield Fire, Casualty & Surety Underwriters Assn. and Grant Davis reelected vice-president. Raymond Cherry was elected secretary.

Shumm Is Portland Manager

Stuart G. Thompson-Elwell Co., Seattle, has appointed Wiley A. Shumm as manager of the general agency's Portland office. He has been with the agency many years and succeeds W. B. Rasmussen, resigned.

Joseph S. Bonner, veteran casualty field man in Oregon and southwestern Washington, has been appointed manager of the casualty and automobile department in the Portland office.

Hildebrand to Talk at Flint

FLINT, MICH.—Waldo O. Hildebrand, secretary-manager Michigan Assn. of Insurance Agents, will address the Flint association June 7 on "Agency Operational Methods".

W. S. Bird, sales manager of State Automobile Mutual, addressed the Mutual Insurance Club of Columbus Monday.

William F. Klumpp, Saginaw, Mich., local agent, has been named president of the Junior Board of Commerce there.

Richland County Mutual, Mansfield, O., has changed its name to Richland Mutual.

IN THE SOUTHERN STATES

Arkansas Program Ready for Hot Springs Meeting

LITTLE ROCK—Keen Johnson, former governor of Kentucky and now public relations director of Reynolds Metals Corp., heads the convention program of Arkansas Assn. of Insurance Agents at the Arlington Hotel, Hot Springs, May 14-15. His address on "Insurance as It Relates to Industry" will open the general convention.

Also on the Friday general session are John C. Stott, Norwich, N. Y., vice-president of the National association, and J. R. Gregory, managing editor of Rough Notes Co., who will discuss "How to Increase Your Profits."

Departing from past practice, the meeting will open with an executive business session during which new officers will be elected. The dinner dance will be that evening.

M. K. Strasser, assistant director of public safety education, Assn. of Casualty & Casualty Companies, will lead off the second day with an address, "Safety Is Good Business," followed by Dr. Lowell C. Yoder of the University of Arkansas, who will give a review of the projected 1948 insurance short course to be given at the University in August. The morning session will be rounded out with a round table discussion between four local agents and four representatives of Arkansas Fire Prevention Assn.

The Arkansas association will fete agents and their guests with a stag luncheon Friday noon at the Southern Club, while the Anderson & Newell general agency entertains the ladies with its traditional luncheon in the Arlington hotel.

The 20th anniversary of Insurance Women's Club of Oklahoma City was celebrated at a dinner with 46 members present.

Boate Added Speaker for Virginia Convention

Thomas H. Boate, director of public safety division Assn. of Casualty & Surety Companies, has been added to the program for the annual meeting of Virginia Assn. of Insurance Agents at Virginia Beach May 27-29.

J. Victor Arthur, Winchester, president of the association, recently returned home from University of Virginia hospital. He is reported to be convalescing satisfactorily and is expected to be on hand to preside over the convention. J. Davis Ewell, Sr., Richmond, will have charge of the golf tournament in which agents will be matched against company men.

Association membership is now 436, an all-time high.

Chris G. Hume Takes Mobile Adjusting Unit

Chris G. Hume, Jr., has taken over the Mobile office of the insurance adjusting firm of W. L. Macey & Co. under his own name. For the past two years he has been manager of that office. Mr. Hume started in the local agency business at Montgomery, Ala., and went with W. L. Macey in 1940. After serving in the navy he was assigned to Mobile to open a branch for W. L. Macey & Co. in 1946.

The offices are in the Staples-Pake building and associated with Mr. Hume are two adjusters.

Form Fire Safety Council

NASHVILLE—A state fire safety council, with six investigating fire prevention committees, will be set up at once in Tennessee as an outcome of the fire conference held here. It will have

headquarters in the office of the state fire marshal. The six committees, which will be appointed by Gov. Mc Cord, will be: Education, law and law enforcement, research, building and construction, organized public support and fire fighting services. The governor will ask the next legislature to authorize county governments to establish and maintain fire fighting facilities.

To Honor Kentucky Veterans

LOUISVILLE — Between 50 and 60 insurance men are expected to attend a dinner here May 10 honoring Gabe C. Wharton, partner in the McElroy, Wharton & Boldrick agency, Springfield, Ky., who has retired after 52 years in the business.

His son, John C. Wharton, Lexington, Ky., is state agent for Crum & Forster and his grandson, John C. Wharton, Jr., has just become special agent of Crum & Forster in Indiana, after three years with Tennessee Inspection Bureau.

A number of officials of companies represented in the agency will be here for the dinner.

Honor Okla. Preventionists

OKLAHOMA CITY — Fred Fox, president Oklahoma Assn. of Insurance Agents; George McFall, chairman of the association's fire prevention committee, and Fire Chief McAlpine, all of Oklahoma City, were made honorary members of the Dallas Fire Prevention Council at a meeting here at which T. L. Yeargan, chairman of the Dallas council, told of its activities and led a discussion on plans to further the fire prevention movement.

Others attending the meeting were Commissioner Dickey, State Fire Marshal Young, Lon Gilliland, in charge of safety in the city schools and C. Hughes, local agent.

P.R. Meeting at Johnson City

The third in a series of public relations meetings, sponsored jointly by Tennessee Fire Underwriters Assn. and Tennessee Assn. of Insurance Agents, will be held at Johnson City May 12. George Egbert, president Fire Underwriters Assn., will preside, with the local agents represented by Manager George Goss, Nashville; J. W. Olliphant, Chattanooga, and James Donoho, Hartsville.

C. L. Puryear Advanced

C. L. Puryear has been promoted to supervisor of the Virginia rating bureau. He succeeds Harry W. Atkinson, who resigned recently to become Virginia special agent of Atlas. Mr. Puryear previously was manager of the Richmond district office of the bureau.

To Open Southern Dept.

Security of New Haven is planning to open a new southern department at Atlanta. It is reported that Harry Talfer, now Virginia special agent with headquarters at Farmville, will be transferred to Atlanta and placed in charge.

Ga. Prevention Meeting

Horatio Bond, chief engineer of National Fire protective Assn. is principal speaker at the Georgia fire safety conference at Atlanta this week.

The state-wide meeting has been arranged by the fire prevention committee of Atlanta chamber of commerce. Maj. Gen. Philip Fleming, chairman of the President's national committee of fire safety, has been invited to talk. Experts in every field of fire and building safety will speak. Also on the program is John S. English, supervising engineer of Royal Indemnity.

PACIFIC COAST AND MOUNTAIN

Cal. Regionals to Stress New Responsibility Law

SAN FRANCISCO—To have all California agents thoroughly informed of the new financial responsibility law which becomes effective July 1, California Assn. of Insurance Agents has arranged for 28 regional meetings starting in Sacramento May 20 and continuing to June 14 at Eureka. This also includes a meeting here in cooperation with the brokers' organization — there being no general fire and casualty agents in this city except for a limited few.

The meetings have been located so they can be reached by all agents in the state with little trouble as respects travel. Local associations will be the sponsors and the hosts, but the meetings will not be limited to members of the state organization.

A public educational program will be launched May 19 by the state motor vehicle department, using all possible media to get the story over. It includes local newspaper advertising, radio spot announcements and literature to be used by agents. However, agents have been requested to refrain from any advertising until May 26, giving the department time to establish itself as the official source of authentic information regarding the law.

All the agents' meetings will be addressed by Edgar E. Lampton, director of the department of motor vehicles, and Paul Mason, department veteran, recently appointed to head the new financial responsibility division.

New Rules on Covering Notes

SAN FRANCISCO—New rules and regulations governing the extension of covering notes beyond 90 days without the written approval of the insurance department have been promulgated by Commissioner Downey, effective June 1. These rules apply to risks producing \$400 or more premium per annum for fire and \$250 for other than fire, except life or disability, or risks that cannot be immediately rated because unavailability of the average rate, inability to determine the value of the property, or the physical inability to make a survey or inspection of the hazards of the risk within the ninety days. However, the extension without approval of the commissioner is limited to 150 days in all.

Branch at Santa Rosa

Percy B. Carrington, who has been a field man for National Automobile Club in northern California, has been placed in charge of a new branch at Santa Rosa. He has been with the club 23 years.

National Automobile Club reports that it gained 2,006 members in March, reaching a high mark of 127,000 members in the state.

Washington Leaders Meet, Plan for Fall Convention

At the spring meeting of the executive committee and local board presidents of Washington Assn. of Insurance Agents at Yakima, reports on the N.A.I.A. mid-year meeting were given by F. W. Norgard, state national director, and Irwin Mesher, executive secretary.

A. J. Peters, Issaquah, chairman fire contact committee, and Harold N. Mann, Tacoma, chairman casualty contact committee, also reported.

It was announced that the Leopold Hotel will be convention headquarters for the annual meeting at Bellingham Sept. 20-21.

Answer Credit Queries

"The Fifth 'C' of Credit" was the topic of a question and answer quiz on insurance presented by King County Insurance Assn. at a dinner meeting of Seattle Assn. of Credit Men.

Answering a series of questions covering all types of fire and casualty coverages were H. P. Sargent of C. P. Sargent & Co., president of the association; Robert P. Cunningham, Willard H. Scott and Tom Harman. Irwin Mesher, executive secretary, was quizmaster.

Insurance Aids Cancer Drive

William H. Hardy, manager of the home office agency of West Coast Life, has been appointed general chairman of the insurance industry division in the fund raising campaign of the California division of American Cancer Society. On the committee are S. L. Carpenter, Jr., general manager of Pacific Board; Rollo E. Fay, coast manager of National Bureau of Casualty Underwriters, and John H. Derrough, secretary Insurance Brokers Exchange of California.

Will Visit Eastern Ore.

Having completed a tour of all of the principal cities in western Oregon, where regional meetings were held, officers of Oregon Assn. of Insurance Agents will visit the eastern section next week. The schedule includes: May 10, The Dalles; May 11, Pendleton and Baker; May 12, Ontario; May 13, Burns and Bend.

Berry Talks on Licensing

E. A. Berry of the Los Angeles office of the California department addressed San Fernando Valley Assn. of Insurance Agents on license examinations.

Gives Talk on Statements

Wesley U. Benepe, chief statistician of Fireman's Fund, spoke on financial statements, their "inside story," before Oakland Assn. of Insurance Agents.

EAST

Clarke Conducts Quiz for Insurance Women

BOSTON — An insurance quiz conducted by Arthur B. Clarke, special agent of Springfield F. & M., featured the April meeting of the Suffolk county group of Massachusetts Assn. of Insurance Women.

Una Isaksen of National Liberty won the prize for answering the most questions correctly. Elizabeth Canfield of Kaler, Carney, Liffier & Co., won the prize for the "jackpot" question on total fire losses in the U. S. from Mar. 1, 1947, to March 1, 1948.

The state association will hold its annual meeting at Fall River May 15.

G.A.B. Names Strossman in Me.

J. A. Strossman has been appointed

manager for General Adjustment Bureau at Bangor, Me., succeeding C. J. O'Leary, resigned.

Mr. Strossman joined the bureau in 1928 after field experience. He has been adjuster at Huntington, W. Va., Harrisburg, Buffalo and Jamestown, N. Y.

Salvage Group to Elect

The annual meeting of Underwriters Protective Assn., which controls the Newark salvage corps, will be held May 21.

Another Toensmeier Office

The Toensmeier Adjustment Service of Lancaster, Pa., has opened an office in York, 25 North George street, under the management of W. S. Read. Mr. Read formerly was Liberty Mutual claim manager at Philadelphia. The York office will cover from the Susquehanna River west to Chambersburg, including Harrisburg. The Lancaster office covers from the Susquehanna east to West Chester, including Reading.

Frederick M. Reid has been appointed chief underwriter of Springfield F. & M. at Montreal.

CANADIAN

Company Package to Vie with Saskatchewan Plan

REGINA—Saskatchewan may be the scene of a rate war between the provincial government and the private companies which have announced they are going to bring out a package automobile policy similar in coverage and price to that being sold by the government. It is expected that the company policy will have a premium rate of about \$18.50 with coverage for fire and theft, \$25 deductible collision; \$10,000-20,000 public liability; \$2,000 property damage and coverage against windstorm, earthquake, explosion, falling aircraft, flood, plus loss to an automobile radio as the result of collision, fire and theft. The tremendous publicity which the Saskatchewan package policy has received across the country makes it possible it will be introduced in British Columbia, Manitoba or Ontario which also have responsibility plans.

The provincial government is seeking to have private company coverage pay-



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able first in case of a claim where the company coverage is carried as excess on government automobile insurance. Making the private policy applicable until exhausted is held by the government to be logical because the private companies charge \$35 premium where the government charges only \$6 premium for the same coverage under the compulsory automobile act.

A government bill has been passed which provides for increased coverage under the compulsory automobile plan without any increase in the existing premium rate. Payment of \$1,200,000 to 5,547 claimants since first instituted and a surplus were reported by the government insurance office.

Ontario Assn. Seeks Solid Front on Commissions

TORONTO — Ralph Duclos, president of Ontario Insurance Agents Assn., has called upon the 5,000 agents in the province who do not belong to the association to join the 1,000 members to protect agent's commissions. Mr. Duclos asked aid against making commissions contingent on loss ratios and then only when the ratio is adverse; the changing of commissions without consultation with agents, and what he termed the disregard of contract terms and the rights of the agent as an equal partner. This appeal was issued in the face of rumors among agents that commissions will be reduced on further lines. Personal property floater and automobile commissions have already been reduced.

Many company people are reported to feel that the Ontario association can't refer to itself as representative of the agents until it builds its membership to at least one-half of the number of agents in the province.

New Company Takes Over Fongiere Canadian Business

MONTREAL — All assets and liabilities in Canada of Fongiere Fire have been taken over by Federation Insurance Co. of Canada, which has a federal charter and plans to extend its activities all across Canada.

Henri Gerin-Lajoie has been named president of Federation; L. W. Blair, managing director, and Paul E. Tremblay, general agent. Mr. Blair is assistant manager of London Assurance. Mr. Tremblay is president of Paul E. Tremblay & Co., Ltd., Montreal. Mr. Gerin-Lajoie is a Montreal lawyer.

Federation is capitalized at \$1 million, and it is reported that half of that amount has been subscribed. It writes fire with supplemental contract in Ontario, Quebec, Manitoba and British Columbia and later will also write casualty lines. Head office is at Montreal.

Independents Raise Rates

TORONTO—Increased rates for fire insurance in Ontario and Quebec have been put into effect by member companies of Independent Fire Insurance Conference. Term rates formerly were 2½ times the annual rate, but now are three times the annual less 10%.

A similar one had just been made by Canadian Underwriters Assn. companies.

Insurance Tax Reduced

TORONTO — Due possibly to the fact that the Ontario government had a \$25 million surplus in its last fiscal year and also revenues of the insurance department far outweigh its expenses, the government is reducing its insurance premium tax.

It will eliminate the 25% surtax payable by all insurers. The tax rate is now fixed at 3%. The rate has been 1¼%, plus the 25% surtax.

Opens New Ont. Office

Century has opened an office at Toronto with jurisdiction over Ontario. Stanley W. Duck is manager. He was with Employers Liability and Prudential of England.

Local Board Session Proves Useful Feature of N. Y. Rally

SYRACUSE—An unusual feature of the convention of the New York State Assn. of Insurance Agents is the opening half day devoted to reports from local boards on their years' activities and talks on subjects of particular interest to these organizations.

What stimulates it is competition for London Assurance's public relations trophy but in the process those attending get a lot of practical ideas for use at home. More than 150 attended this year's session, a record, and it was an exceptional program handled by Arthur L. Schwab, vice-president Richmond county association.

Buffalo Reports

The Buffalo board arranged distribution of envelope stuffers explaining the new law that gives assured the right to place insurance on mortgaged real or personal property with their own agent or broker. The auto dealer or finance company isn't going to tell assured. It is up to agents to do so, and in Buffalo this method was very effective, J. J. Rush reported.

This board also supplied shoulder patches and certificates to the Boy Scouts who throughout the winter were members of the fire hydrant brigade which kept hydrants free of snow and ice.

At Rochester senior student driver training courses were reestablished in 11 high schools. Training of instructors and furnishing of material and equipment will be provided by the Assn. of Casualty & Surety Companies' accident prevention department, Secretary Louis

Hawes of the Rochester board said. The board is planning to mark its centennial in 1950.

Herkimer county, Brooklyn, Nassau, Binghamton, Watertown, Lockport, Queens, Troy, Fulton county, Rockland county, Saratoga Springs, suburban New York City, Suffolk, Glens Falls, Westchester, Amsterdam, and Staten Island also had reports.

W. J. Oertel, manager New York Press Assn., outlined the impressive highway safety program the newspapers are conducting this year. About one million are licensed as drivers each year, and that group has a fatality rate of three to nine times that of middle aged drivers, he said. The 1948 campaign in New York is stressing localization to fit particular conditions in each community, and agents can help to achieve this.

Fire Prevention Package

A complete fire prevention package, consisting of the N.A.I.A. manual, National Board material, etc., was presented by John G. Mayer, assistant secretary of the National association. Agents today are not fighting to lower rates but to keep them from rising, he said. Fire prevention is good business.

Thomas W. Ryan, director of the state department of safety which was set up last year, explained plans for improved engineering, education and enforcement to make the state safer on the highways and in homes, from accidents and fires. He asked why the association did not name an agent to act as liaison between his department and the agents association.

Four Promoted by G. A. B. in Md., Miss., Tenn.

General Adjustment Bureau has appointed Wallis J. Wright general adjuster at Salisbury, Md. He has been manager there and is succeeded in that position by George E. Bahen.

Mr. Wright joined G. A. B. in New York in 1922 and has served at Philadelphia and Salisbury. Mr. Bahen has been with the company since 1936.

The bureau has opened three offices in Mississippi and Tennessee.

Frank H. Poston, Jr., has been appointed adjuster in charge at Columbus, Miss. Mr. Poston has been with G.A.B. since 1940 and has been at Charleston, S. C., Norfolk, Va., and Elizabeth City, N. C. Clyde B. Puckett has been made adjuster in charge at Clarksville, Tenn. He has been with the bureau for 12 years at Nashville.

Townes B. Johnson, who has been at Nashville with G. A. B. for 17 years has been named adjuster in charge at Cookeville, Tenn.

West Bend Appointments

Samuel T. Taylor has been appointed state agent by West Bend Mutual Fire in Minnesota. He served in the marines during the war. After discharge he was with Liberty Mutual as field representative with headquarters at Detroit until joining West Bend.

Paul G. Kashefska of Decatur has been named central Illinois special agent under supervision of A. W. Peterson of Chicago, state agent. Mr. Kashefska for nine years did drafting work with the Sanborn Map Co., and also made inspections and surveys, then for nine years was with Prudential and later 1½ years for the government before conducting his own local agency for two years.

Finish Kan. Zone Meetings

Zone meetings of Kansas Assn. of Insurance Agents were completed with evening session at Colby and Hill City.

Charles A. Schiefen, executive committee member, was chairman of the Colby dinner meeting with 20 agents from six towns in attendance. J. W. Bryant, Aetna Casualty, Kansas City, discussed the farmers' personal liability and storekeepers' liability policies. The film "Your Best Policy," was shown by Alpha H. Kenna, executive manager of the Kansas association, who also addressed the meeting.

Nineteen agents were present at the Hill City dinner meeting with John T. Griffith in charge. H. M. Hansen, Hill City, led a discussion on farmers' personal and storekeepers' liability. At an open forum which followed, there was considerable discussion on whether insurance agents should come under social security.

Sherman Chief Engineer of Northwestern Mutual

Fred A. Sherman has become associated with the home office of Northwestern Mutual Fire as chief engineer. He will supervise the inspection and fire prevention work.

After graduating from the fire prevention engineering course of Illinois Institute of Technology in 1930, he was for 11 years with the Chicago Board. Then he joined National Fire's western department at Chicago in 1941, for several years being engineer and special agent before promotion to assistant superintendent of the engineering department, the post which he has resigned to go with Northwestern Mutual.

Debates Air Death Statistics

William H. Rodda, secretary Transportation Insurance Rating Bureau takes issue with the accident statistics used in the article on aviation insurance in the Automobile & Aviation issue of THE NATIONAL UNDERWRITER. Mr. Rodda points out that the figures used are National Safety Council statistics for all deaths rather than passenger deaths. He notes that the author used a figure of 3.2 deaths per 100 million passenger miles in connection with railroad operations, and that included grade crossing deaths, deaths of crew members, etc. The right figure would be 0.18, the actual number of passenger deaths per 100 million passenger miles, Mr. Rodda states. On this basis, traveling by bus or railroad is almost 10 times as safe as traveling on scheduled airlines.

There has been much controversy regarding the proper statistics to use in connection with the relative safety of air and ground transportation. Sometimes the number of fatal accidents per 10 million plane miles is used. Mr. Rodda declares that the number of passenger deaths per 100 million passenger miles would seem to give the most accurate picture of an individual's chances of traveling safely.

Cover \$10 Million Tex. Risk

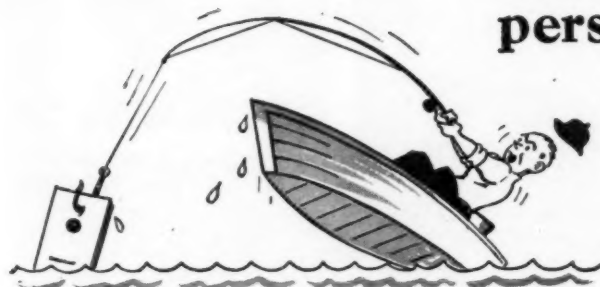
The \$10 million industrial risk under lease from the navy by Texas Engineering & Manufacturing Co. at the huge former North American Aviation plant near Grand Prairie, Tex., has been insured by six Dallas local agencies and spread among 15 companies. Most of the detail work was done by T. M. Rucker of the Dallas agency of Cottingham, Rucker & Barham. Other agencies participating are Charles L. Dexter & Co., Robert Saxon agency, Maxson Mahoney & Turner, Carpenter agency and B. Felix Harris agency.

Kansas 1752 Club Meets

Kansas 1752 Club held a business meeting, golf tournament and dinner at McPherson with 82 in attendance. A number of company officials were of hand. Commissioner Sullivan, Assistant Commissioner Russell Brown and Ray Plyley of the Kansas department were guests. Manhattan was selected for the next meeting in July. F. E. Baker, Employers Mutual Casualty, is president and John Hobbs, Midland Mutual, secretary.

The first Sale is the ~~Hardest~~

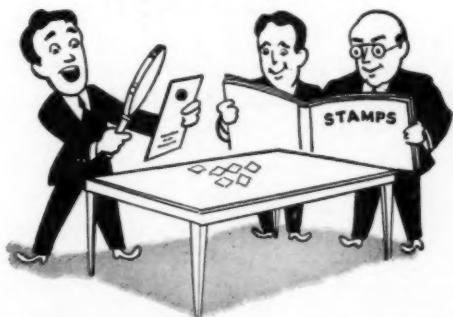
when you lead with
personal floater lines



He'll bite on a Floater . . . if he's
a sucker for fine *sporting equipment*.
(What man isn't?) There's no
better way to land the big ones.



Proud of his etchings . . . antiques,
old masters? You bet! Proud enough
to insure them under a *Fine Arts Floater*,
if you give him the chance.

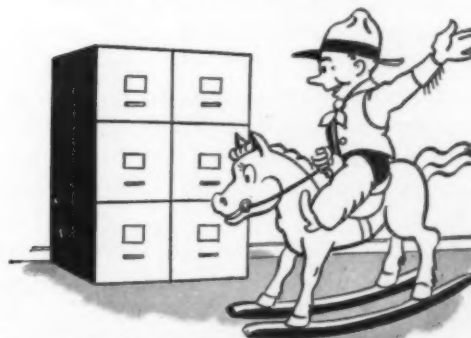


When stamp or coin *collectors* collect
to discuss values and rare finds . . . they
may also discuss the value and rare
quality of your insurance service. Result?
Sales and sales again.

High personal interest in the items cov-
ered, plus low premium cost, combine to make small Marine
policies one of the agent's sharpest prospecting tools. Try
them on any sportsman, hobbyist or collector in your com-
munity. You will find the prospect eager to discuss his
special interest . . . and well-disposed toward the agent who
offers protection for valuable equipment and collections.
The policies all but sell themselves . . . the friendly con-
tacts may pay off handsomely in future business. Let us
tell you how we can assist in getting this desirable business.



Expose him to the low-cost *Camera Floater* . . .
give him a candid view of the theft,
loss and breakage risk . . . and
you're in his insurance picture.



He'll ride his hobby right into your client files
. . . if you tell him about inexpensive floater
insurance for these and many other types
of movable property.

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FIRE AND MARINE INSURANCE • ALL FORMS

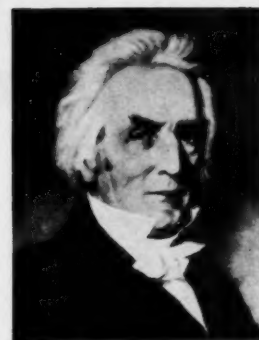
Affiliated with
ÆTNA LIFE
INSURANCE COMPANY
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& SURETY COMPANY

Famous American Homes

THE HOME OF *Alexander Campbell* CRUSADER FOR FREE INQUIRY



House was started about 1793 by Campbell's father-in-law from lumber grown and whipsawed in the vicinity



Campbell often worked till midnight in this quaint study

STAGECOACH and Ohio steamboat were the main methods of transportation a century ago in what is now West Virginia; communication was also slow and uncertain. Nevertheless, in spite of these and other obstacles in 1840 Alexander Campbell founded Bethany College, dedicated to "development of character, education of the heart, opportunity for free inquiry." Now one of the older colleges west of the Alleghenies, Bethany offers endur-

ing evidence of the founder's achievements as first president and energetic builder of its endowment.

The Irish-born Campbell emigrated to the United States in 1808. Delivering his first sermon in a grove, he rapidly made a reputation as a preacher and actively identified himself with the current religious reform movement.

When Campbell married Margaret Brown in 1811, the bride's father gave them his home and farm in Bethany,

West Virginia, in order to induce the young couple to remain with him. Thus Campbell ran the farm in addition to preaching, established a seminary and published magazines from his own press. So extensive was his printing business that the Federal Government established a post office for him and made him postmaster for some thirty years. His popularity as a speaker resulted in numerous journeys both

here and abroad where he gained ideas on the subject of education later used in his own college.

Though Campbell's home was enlarged by various additions, the oldest section was built by his father-in-law, John Brown, about 1793. A skillful carpenter, Brown constructed so sturdy a dwelling that even today the floors are still sound and the door is as solid as the day it was hung. Now under the joint control of the Disciples of Christ Historical Society and Bethany College, the Campbell home near the campus is open to visitors the year round.

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NEW YORK
FIRE • AUTOMOBILE • MARINE INSURANCE



Guests Clay, Davis, Garfield and Lee slept on this rope bed

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as en-
oldest
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killful
sturdy
floors
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